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THURSDAY, AUGUST 29, 1935

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Capital, \$1,000,000.00

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Newark, N. J. Organized 1928 Capital, \$1,000,000.00

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92 William Street

New York, N. Y.

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

Thirty-Ninth Year—No. 35

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, AUGUST 29, 1935

\$4.00 Per Year, 20 Cents a Copy

Takes Inventory of the Business

**Kenneth H. Bair Makes a Frank
Talk to the Minnesota
Agents**

HAS SOUND SUGGESTIONS

**Sees Tendency Toward Smugness on
Part of Some of Certain Local
Representatives**

Kenneth H. Bair of Greensburg, Pa., chairman executive committee National Association of Insurance Agents, in his talk before the Minnesota agents meeting at Hibbing said there is a vast difference between the vending of goods and the selling of contracts. Where the merchants talk in terms of spot orders and turnovers, openings to buy and reductions and advances, insurance men are concerned with policy forms and classifications, underwriting and loss ratios. There is no bargain basement in an insurance agency. Agents, he said, cannot take a chance on different classes of goods priced according to quality. When an insurance contract is sold it should be the best.

Believes in Stock Taking

Before attempting to sell insurance policies Mr. Bair said that agents must sell themselves and a little introspective stock taking is in order. "What will the composite inventory of the agent show?" asked Mr. Bair. He answered the question, "It shows a man, busy with his work, more or less alert to modern business conditions, occupying a position of respect in the community and active in its affairs. Further than that, depends on the individual."

Mr. Bair said there is a tendency toward smugness or self-complacency among the agents. They are convinced that the American agency system is the proper distributing medium and that the associations are serving the entire business well. Mr. Bair said: "If in our confidence we should come to believe that all virtue is held in us and all frailty elsewhere, that we are the people and wisdom shall die with us, then indeed is our fate sealed."

Agency System Has Weaknesses

Mr. Bair said that in spite of all the virtues of the agency system it has its weaknesses. He claimed that there is always a temptation to cut corners. The insurance business lends itself to sharp practices because the agent is an independent operator. Even the highest professions are hounded by shysters. The insurance agent is appointed by a company of its own free will. The company can acquaint itself with his antecedents and reputation. Mr. Bair said further: "We say companies have the situation in the hollow of their hand; that if they

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Word of Warning Sounded

**Western Manager S. H. Quackenbush of the Westchester
Points Out Some Danger Spots in the Fire Insurance Field**

S. H. Quackenbush of Freeport, Ill., western manager of the Westchester Fire, in his talk before the Minnesota Association of Insurance Agents at Hibbing, declared that insurance has faced its obligations to meet the demands of the manufacturer, merchant and property owner in an efficient and economical manner. The business, he said, has always been highly competitive and the chief companies do not seek excessive profits because such a result would inevitably result in the organization of new companies which he claims are not needed. The stock companies, he said, over a long period have never made more than a nominal profit on their underwriting. If a company lacks strength and prestige to obtain business without cutting rates it cannot last long if it operates through agency channels with the expense involved.

Responsibility of the Public

The stock companies, he said, promise the public to furnish the best indemnity at the lowest possible cost consistent with sound practice and stability. The public in a way, through lack of understanding, is responsible for some factors which add to the cost of insurance, such as indifference regarding fire prevention, excessive taxes, ill advised legislation, failure to properly prosecute crimes against insurance companies, tendency of juries to ignore evidence and render decisions unfavorable to companies regardless of the facts.

Should Explain Expense Items

Mr. Quackenbush said that the industry is under obligation to explain the expense items and how the public is benefited thereby. An unimportant group of mutuals is advertising that they can cut stock company rates because they pay no commission to agents. Mr. Quackenbush said under these conditions the agents owe it to the public to justify the expense of their service. He referred to the important non-agency companies and their remote control, totally lacking in daily contacts and neighborly understanding. He does not believe that the public can be satisfactorily served by such companies. The non-agency company operates on the same basis as the mail order house. About two years ago the merchants of Wichita, Kan., perfected an organization which included a number of insurance men, the purpose being to conduct an educational campaign to bring to the attention of the citizens the fact that the continued growth and prosperity of their city depended on their patronage of local concerns. The result, he said, has been much more placing of insurance with local agents.

Services of Organizations

Mr. Quackenbush referred to the various services and organizations of insurance, saying that naturally they add to the expense but they render great public service, but the non-agency company contributes nothing to their maintenance.

The cost of fire insurance has de-

creased nearly 30 percent during the last 17 years. Agents as well as companies, he said, should use their influence and become leaders in thought regarding all matters relating to insurance. All factors that have a bearing on insurance costs should be analyzed and the public should be told the truth as to their effect on costs. For example, during the last ten years nearly \$1,000,000,000 has been paid by insurance companies in taxes and naturally this has to be added to the premium. Insurance companies are selected for special taxes and therefore are not in the same category with other corporations.

Fine Record in Loss Payments

Mr. Quackenbush said that in his long experience with stock fire insurance he had found but few instances involving loss claims where a moral obligation to pay existed which have not been allowed, regardless of technical violation of policy conditions. There have been however thousands of dishonest claims paid because the attitude of the public has been such that a successful defense seemed impossible. In some dishonest claims it would be cheaper for the companies to pay them on some basis rather than contest them. However, where there is a real principle involved Mr. Quackenbush said it should be the aim of the company to contest a claim.

Period of Moderate Losses

During the last year or so the companies have passed through a period of moderate losses. This condition, he said, is temporary and will probably be followed by an excessive loss ratio. The favorable loss ratio, however, has resulted in an aggressive campaign for business by many companies. Some are plunging, some are extending their operations to territories with which they are not familiar and where the danger is severe. He said there is no doubt that certain small stock or even mutual companies confining their operations to their home districts and through avoiding excessive liability subject to a single fire may carry on successfully, but when they extend their operations to remote points and assume large liability in various cities they are certainly inviting disaster with the inadequate funds at their command to meet a real emergency.

Conflagration Possibility Still Exists

The possibility of a conflagration, he averred, still exists. Many fire departments, he said, are undermanned and the equipment has been allowed to deteriorate. The danger, he said, is probably greater than it was 25 years ago. Meanwhile Mr. Quackenbush said the liability of some companies in these cities is running into millions of dollars. Therefore it is necessary, he thinks, to both weigh the quality of the protection offered by a company carrying on such widespread operations and its financial ability to stand a catastrophe if one occurs.

Mr. Quackenbush's talk made a deep impression on those at the convention.

Blue Goose Rally Largest on Record

**Grand Nest Meet in Atlantic City
Sets New High
in Attendance**

HIGH ENTHUSIASM FOUND

**Phillips Scheduled for Head of Order—
Knowlan to Start Up—Okla-
homa City in 1936**

By GEORGE A. WATSON

ATLANTIC CITY, N. J., Aug. 28.—That the Blue Goose continues as a vigorous organization 29 years after its formation is attested by the large and enthusiastic gathering of members at the annual grand nest meeting here. The number of registrations exceeds that of any previous year. Every pond in the United States and Canada, save only Montana, is represented by delegates, many accompanied by members of their families.

President Wilfred Kurth and Secretary Leonard Peterson of the Home were among the early company official arrivals. Others are expected later since the gathering affords a good opportunity for home office chiefs to meet representative field men from all sections of the country.

The Carolinas pond held open house, dispensing hospitality in true southern style. Special headquarters were maintained by the New Jersey Special Agents Association, and by a number of grand nest officers. A reception and dance on the roof solarium of the headquarters hotel Tuesday evening was a most enjoyable affair.

Opening of Convention

The initial business session this morning opened with the singing of the Canadian and the American national anthems. A welcome to Atlantic City was extended by Mayor C. T. White followed by a welcoming address by Most Loyal Gander E. W. Dart of the New York City pond.

The address of Most Loyal Grand Gander S. A. Mehorter was a strong plea for support by the underwriting fraternity of the "Tote Fair" principles of the Blue Goose. It was cordially received and was referred to a special committee upon its conclusion. Reports of the various committees was next in order.

It is a foregone conclusion that T. Ray Phillips of Oklahoma City will succeed Mr. Mehorter as most loyal grand gander and that all other present officers save only C. P. Helliwell, will step up, Mr. Helliwell continuing as grand welder. J. R. Knowlan of the Penn Pond, Philadelphia, is slated to succeed R. W. Hukill as grand keeper when the latter advances to grand guardian.

In compliment to Mr. Phillips the

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Floater Issue in Chicago Settled

Method of Writing the Comprehensive Contract Is Decided Upon

ENDS LENGTHY STUDY

Chicago Board Members May Place Policy With Board Companies or Registered Marine Counters

Settlement of the personal property floater issue in Chicago has been reached, with the Chicago Board sanctioning and approving the issuance of the contract under specified conditions. The comprehensive policy has been a subject of long deliberation by special committees of the board and by the directors. The Chicago Board states that the legislation is designed to aid all companies affiliated with the Inland Marine Underwriters Association, the Chicago Board and members, in the proper control and stabilization of this line. The legislation, according to the Chicago Board, is not in any way an interference with the jurisdiction of the I. M. U. A., but is merely an aid and supplementary thereto.

The Chicago Board action is reported to have the silent sanction of the Inland Marine Underwriters Association. Probably the I. M. U. A. will do nothing formally to ratify the arrangement. There are about 12 member companies in the Chicago Board that do not belong to the I. M. U. A. Several of these companies are understood to have been taking liberties with the comprehensive policy, particularly insofar as the minimum premium is concerned and some of them have been writing the contract on a three-year basis. These companies must now conform to the I. M. U. A. rules governing this policy, by reason of their membership in the Chicago Board.

Registration of Counters

There are a few offices in Chicago which are members of the I. M. U. A., but do not belong to the Chicago Board. Among these offices are Chubb & Son, Appleton & Cox, Johnson & Higgins. In order to govern this situation, the Chicago Board provides for the registration of these counters so far as the personal property floater is concerned.

The Chicago Board action is similar to that taken in Milwaukee several weeks ago.

The Chicago Board has approved the issuance of the personal property floater as one contract of insurance including the hazards of fire and tornado on the contents of the residence of the assured, subject to the following rules and regulations which are mandatory upon all affiliated companies and members, effective as of Sept. 1:

Issued as One Contract

1. The personal property floater may be issued as one contract including the hazard of fire, tornado and other risks under the jurisdiction of the Chicago Board.

2. The contract shall cover only household furniture and personal effects usually classified in connection with dwelling contents, and shall not be issued for a term of more than one year.

3. The rate per annum for each \$100 of insurance shall be the annual fire rate promulgated by the Chicago Board for fire insurance covering the household furniture at the residence of the insured in Cook county plus the following an-

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Yetka Pays His Respects to Raters at Hibbing Rally

TALKS TO MINNESOTA AGENTS

Commissioner Says He Welcomes Court Test of Ruling Barring Use of Ratings in Solicitation

ST. PAUL, Aug. 28.—The Minnesota commerce commission has affirmed the ruling of Commissioner Yetka in prohibiting the use of independent ratings of insurance companies in soliciting business. A few days ago the Alfred M. Best Company was given a hearing before the commission. Vice-president R. T. Smith of Chicago with eminent counsel appeared before the commission on an appeal from the Yetka order.

Commissioner Yetka in his ruling declared that the license of a company or agent would be revoked if there were use of these ratings to secure business. James E. Dunne, a Chicago rater, had an audience with Commissioner Yetka at the time of the A. M. Best Company hearing but he did not apply for a hearing before the commission.

A bold and uncompromising challenge to all firms and individuals who formulate and publish ratings of insurance companies was given by Commissioner Frank Yetka in his talk before the Minnesota Association of Insurance Agents at Hibbing. Mr. Yetka said he will welcome law suits from all such concerns as may question the legality of his recent ruling. At times his remarks were caustic. He did not mince words. In fact, his audience was surprised at the frank and open manner in which he spoke.

He explained that his ruling only prohibits the use of ratings in the actual solicitation of business. It does not prohibit their publication or distribution in the state. Mr. Yetka said he recognizes that he has no power to prevent the publication of ratings or their shipment into Minnesota. His ruling does not refer to an insurance man carrying or referring to ratings, but is aimed only at their use in solicitation.

He became rather heated in tone when he told of his recent meetings in

State Fund Recommended for Ohio Schools by Commission

WOULD INCLUDE BUS COVER

Cite Favorable Experience Over Last Four Years as Argument for Action

COLUMBUS, O., Aug. 28.—The Sherill commission has recommended that fire insurance on public schools in Ohio and personal property and public insurance on school busses be discontinued and that a fund be established by the general assembly out of which losses may be paid when they occur. The commission believes that \$697,000 a year can be saved in this way. The survey report asserts that in the four-year period ending Dec. 31, 1933, fire insurance premiums on public school buildings in Ohio totaled \$1,755,174, while the fire loss in that period was only \$115,965. It is also declared that in the same period personal property and public insurance on school busses amounted to \$360,000 a year, while the claims averaged only 20 percent of that amount.

St. Paul with the publishers of ratings. A representative of one such concern told him, Mr. Yetka said, that all raters were really nothing but racketeers except his own firm. A rival publisher made the same statement to him. Both wanted him to indorse only their own plan of rating.

"One of these fellows told me," said Mr. Yetka "that he wouldn't accept advertisements except from approved companies, but you might as well turn a statement like that around the other way and say that he won't approve a company unless it advertises."

Check-up Is Made

"This same fellow told me," continued Mr. Yetka, "that there never had been a failure of a company that was given the top rating by his firm. He told me that when a company gets the best rating from his concern it doesn't fail."

"Well, I checked up that statement and found that in a three-year period there were 19 casualty companies and 11 life companies that had to go out of business because of financial troubles."

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Lipps President of Idaho Agents

Annual Meeting at Boise Resulted in a Large Attendance of Insurance Men

BIG MEMBERSHIP GAIN

State Association Will Undoubtedly Be Awarded the National Trophy This Year

OFFICERS ELECTED

President, Homer H. Lipps, Lewiston.

Vice President, John B. Robertson, Twin Falls.

Executive Committee, A. L. Gridle, Coeur d'Alene; Harr Mooney, Idaho Falls, and Fred Mitchell, Caldwell; Jos. Perrault, Boise, ex officio.

BOISE, IDAHO, Aug. 28.—Reports of the various standing committees, adoption of resolutions and the election of officers marked the final day of the annual convention of the Idaho Association of Insurance Agents. After an afternoon spent at golf and bridge the visitors started their trek homeward. The convention was generally greeted as probably the most successful in the history of the association, and delegates attributed much of the success to the retiring president, Joseph Perrault of Boise. Assisting him were the following committees: Golf, Ben Wright, chairman; bridge, Mrs. Frank Ensign, Mrs. Robert Campbell, Mrs. A. J. Gamble; luncheon, Mrs. J. B. Dollard, Mrs. Howard Stein, Mrs. Joseph Perrault; banquet and dance, Robert Campbell.

Idaho Said to Be Winner

There was rejoicing at this meeting over the virtual certainty that the Idaho association has won the silver cup donated by the National Association of Insurance Agents to the state association showing the greatest percentage of membership gain in the course of a year. It had been hoped to have the cup awarded at this convention, but the fact that under the rules of the contest it is not determined until Aug. 31 made it impossible to make the presentation at this meeting. It will be given to the Idaho representative at the meeting of the National association.

Idaho has shown an increase of some 347 percent this year, and her nearest competitor has only 40 percent increase, so there is not much chance of an upset in the remaining days of the month, members feel.

Resolutions of respect were adopted for three members who died during the year. The members thus honored are Bradley Sheppard, Boise, John H. Early, Idaho Falls, and Paul Bistline, Pocatello.

A resolution was adopted definitely fixing the dues at \$10 a year. This was not fixed prior to this meeting, but was left open from year to year. Another resolution requested that the fallen building clause be eliminated from fire insurance policies.

The attention of members was called to S. 2223, a measure providing for a blanket bonding of all federal employees. The convention voted thanks to W. H. Bakes, commissioner of insurance, and to members of the executive committee, for their aid in defeating hostile legislation at the last session. The question of deviations and separation caused hot debate, but finally the convention resolved to do

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THE WEEK IN INSURANCE

W. A. Sullivan, Washington insurance commissioner and president National Convention of Insurance Commissioners, gives an address before the local agents of his state. **Page 4**

The annual meeting of the Blue Goose Grand Nest is being held this week at Atlantic City. **Page 1**

Commissioner Yetka of Minnesota in addressing a meeting of agents of his state says that he will welcome court tests of his recent ruling, barring use of company ratings in solicitation. **Page 2**

C. O. Brown of Rochester is reelected president of the Minnesota Association of Insurance Agents at the annual meeting in Hibbing. **Page 3**

Method of writing the comprehensive household policy in Chicago is decided upon, thus ending a prolonged controversy. **Page 2**

The Italian-Ethiopian war scare has caused marine rates to go up in the war district. **Page 23**

A. L. Lintner resigns as insurance chief of the HOLC to open a branch in Washington, D. C., for the Pearl. **Page 9**

Kenneth H. Blair of Greensburg, Pa., was one of the star speakers at the Minnesota local agents meeting at Hibbing. **Page 1**

C. J. Fitzpatrick, vice-president United States Fidelity & Guaranty has been elected secretary. **Page 30**

S. H. Quackenbush of Freeport, Ill., western manager of the Westchester Fire, gives stimulating address at the meeting of the Minnesota Association of Insurance Agents. **Page 1**

The Idaho Association of Insurance Agents held its annual meeting this week at Boise. **Page 2**

The annual meeting of the Washington Association of Insurance Agents is being held at Bellingham. **Page 3**

The Western Underwriters Association has been able to clear most of the agencies in its field other than in states where it cannot legally enforce separation. **Page 9**

State fund for school insurance recommended in Ohio. **Page 2**

Analysis made of guest law issues by Attorney A. R. Peterson of Chicago. **Page 29**

Summary of new Massachusetts insurance laws. **Page 32**

Joint conference of agents and brokers of Massachusetts demand "living compensation" in writing compulsory automobile insurance. **Page 31**

Commissioner Hunt of Pennsylvania urges that an outside insurance department be called in to examine every domestic company unless it operates only in its home state. **Page 6**

Thieme Head of Washington Body

Local Agents Had Frank T. Priest of Wichita as Feature Speaker

LICHTENSTEIN PRESENT

Ask Commissioner Sullivan to Modify His Ruling in Marine Underwriting Powers

NEW OFFICERS ELECTED

President—George R. Thieme, Seattle.
Chairman executive committee—T. L. Ross, Wenatchee.
Secretary-treasurer—Byron B. Hillen, Seattle.
Executive secretary—Irwin Mesher, Seattle.
Regional vice-presidents—James M. Blair, Puyallup, and Charles P. Carroll, Spokane.
National councillor—C. B. White, Seattle.

BELLINGHAM, WASH., Aug. 28.

—With a broad and detailed program charted for the new year and a new official family elected to guide the destinies of the organization, the Insurance Agents League of Washington wound up its highly successful annual meeting. George R. Thieme of Seattle, one of the foremost agency leaders in the state, was elevated to the presidency. Terry L. Ross of Wenatchee, another member of the old guard, was elected chairman of the executive committee.

Byron B. Hillen of Seattle, a new man in the affairs of the state association, but with a meritorious record with the King County (Seattle) Insurance Association, was chosen secretary-treasurer. Irwin Mesher was re-elected executive secretary. James M. Blair of Puyallup was returned to the post of regional vice-president for western Washington. Charles P. Carroll of the J. E. McGovern Co. agency and president of the Spokane Insurance Association, is the new regional vice-president

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Sales Suggestions Given by Priest on Western Tour

Frank T. Priest of Wichita, member of the executive committee of the National Association of Insurance Agents, in making the far western circuit has been delivering some useful sales suggestions as well as reviewing some of the insurance issues of the day. He started by addressing the annual meeting of the Wyoming Association of Insurance Agents at Casper and then addressed the Washington agents at Bellingham and Idaho agents at Boise. He ended his tour this week in Denver with a talk before the Colorado people.

Mr. Priest said many agents are losing business simply because they are not asking for it. Asking for business should become a habit. Agents are passing up business every day because they fail to solicit employees of concerns whose insurance the agent has. "Some of these people think we don't want their business because we have never suggested that they give it to us," Mr. Priest declared.

Because an agent doesn't have anything tangible to sell and because there are so many varieties of insurance, he must be one of the best salesmen in the world.

Sales Value in Losses

Mr. Priest said there is sales value in the fact that last year the Kansas State Agricultural College suffered a fire loss of about \$180,000 with no insurance. In April of this year the Oregon state house burned with an estimated loss of a million and a half dollars and no insurance.

He advised agents to cultivate a telephone personality, expressing friendliness and cheerfulness. Those characteristics are also important in making the daily calls.

Mr. Priest told about the daily report sheet that is kept at the information desk in his office. On it is reported the telephone calls, soliciting calls made by each member of the firm and by solicitors; when they go out, when they are expected back and whether they have one of the cars. The men make daily reports showing the calls they have made, business they have written, renewals taken care of and collections made.

Mr. Priest said his agency has prepared a dummy survey on which a certain amount of work is done on a specific

risk and then it is passed over to a girl to complete. He said his agency has never made a survey for a customer without writing some business.

Mr. Priest recounted the HOLC developments. Since the Stock Company Association has been formed, the Washington service office of the National Association of Insurance Agents is not required to devote much time and attention to the HOLC. Accordingly the service office is ready to be of service to agents on other matters. The National Association, he said, is one of 224 trade associations that have established Washington headquarters.

Auto Finance Business

Referring to the question of insurance on financed automobiles he contended that the job of retrieving this business for local agents is a local problem and should be handled in the most expedient way in the various communities. However, he contended it is time that attention is given to the question and the business restored to local agency channels.

Mr. Priest said the agents and companies let this finance business slip out of their hands 15 years ago. Too many agents failed to collect the premium from the assured and notified the dealer that the policy would be canceled if the premium wasn't paid. The dealer usually advanced the money and tried to get it out of the borrower.

When losses occurred, the borrower reported it to the dealer and the dealer reported it to the agent. The adjusting company would bring in two or three outside repair men to make an estimate and one could always be depended upon to be 25 percent under the dealer. Consequently the dealer found that he was losing much business.

As for compensation, he contended the answer is more intelligent accident prevention work. Every agent should induce every sizable employer to appoint a safety inspector, responsible only to the employer and impress every one in the plant that this man is his representative, that he will investigate every accident, make a report and that his recommendations will be made at once. Accident prevention, he said, is only common sense.

Mr. Priest referred to the discussion (CONTINUED ON PAGE 26)

Reelect Brown at Minnesota Rally

Agents Consider Hiring Full-Time Secretary, Publishing Bulletin—By-Laws Revised

CONVENTION AT HIBBING

Members Advised of Company Promise to Restore Commissions if Compensation Rates Increased in December

NEW OFFICERS ELECTED

President—Clarence O. Brown, Rochester.
Secretary—P. H. Ware, Minneapolis.
Executive Secretary—R. M. Thompson, Minneapolis.
Executive Committee—S. C. Aldridge, St. Paul, chairman; E. C. Huhnke, Duluth; E. A. Storrick, Albert Lea; H. A. Levant, Eveleth; A. W. Ingenhult, Minneapolis; Leo A. Ritt, St. Paul; F. J. Ney, Minneapolis.

By H. J. BURRIDGE

Agents from every part of Minnesota gathered in picturesque Hibbing "ore capital of the world" last week to stage the annual convention of the Minnesota Association of Insurance Agents. It was a working, resultful meeting. It was virtually decided that the association will begin the publication of a monthly bulletin. The constitution and by-laws were modernized. Capable and popular Clarence O. Brown was re-elected president. The association is in unusually sound financial condition, and has a truly quality membership.

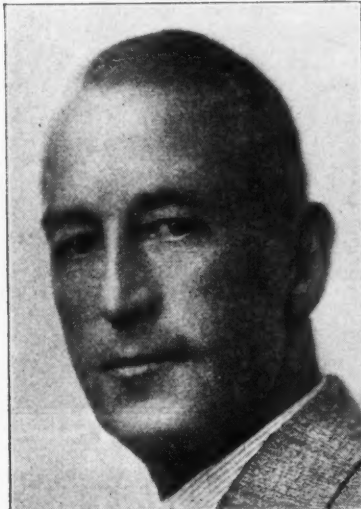
An impressive array of speaking talent was heard. Outstanding was Frank Yetka, Minnesota's insurance commissioner, who gave a straight-from-the-shoulder talk. Kenneth H. Bair, chairman of the executive committee of the National Association of Insurance Agents, spoke for the national body. S. H. Quackenbush, western manager of the Westchester, was heard. There were numerous other talks, but there was also plenty of time for informal discussion.

The Minnesota Association is unique (CONTINUED ON PAGE 10)

BLUE GOOSE OFFICIALS AT GRAND NEST MEETING



S. A. MEHORTER, New York
Most Loyal Grand Gander



H. B. LEUTY, Vancouver, B. C.
Grand Custodian



J. CLARK BUCHANAN, Los Angeles
Grand Guardian



C. P. HELLIWELL, Milwaukee
Grand Wielder

Irresponsible Agents Work Harm to the Public Mind

THEY CAUSE MUCH DISTRUST

Washington Insurance Commissioner is Strong for a Proper Agency Qualification License Law

W. A. Sullivan, insurance commissioner of Washington and president of the National Convention of Insurance Commissioners, addressed the Washington Insurance Agents League at its annual convention at Bellingham, Wash., and said that the confusion and lack of understanding on the part of the public with reference to insurance is largely the result of misleading information disseminated by agents. It has been a common practice, he said, among a certain type of agents to try to accentuate the virtues of some particular company or companies by deprecating the qualities of another company or group. This brings about more or less distrust, he said, as to the stability and dependability of any company.

Most Agents Are Reliable

The vast majority of insurance companies and agents he said are thoroughly reliable and qualified to serve the public. It is people of this type he said that will maintain insurance on a solid foundation. Therefore, he said it behooves every one in the business to lend his best efforts and vigilance to uphold proper standards and to eliminate the chiseler. Commissioner Sullivan feels that agents are becoming more efficient and there are fewer irresponsible ones. Owing to the technical phases of insurance he said the public is wholly at the mercy of the agent. This accentuates the importance of the agent becoming thoroughly qualified. He should not only be acquainted with his contracts, but he should possess qualities that will cause him to maintain a proper balance of fairness and equity between the company, the assured and his own individual interest.

Commissioner Sullivan believes in a proper agency license qualification law. He wants the unfit and irresponsible eliminated. He feels that agents should be qualified before they are turned on the public.

In speaking of the premiums in Washington, the total amount for all insur-

Low Losses of Two Years Cause of Disturbances

Company officials, underwriters and agents all are agreed that the abnormally low loss ratios of the past two years have created a situation fraught with danger and the prospect of heavy losses in the future to the fire insurance companies.

One company official remarked that "I can't help but think that a slight increase in the losses at this time would be a good thing for the business."

The recent rate reductions throughout the country are held as unsound. While it is agreed that some reductions should have been made, it is felt that those made were entirely too great in most instances.

Fears Ruinous Rate War

The present situation is held by agents and company men alike as being responsible for the rate war on the Pacific Coast and also for some companies now offering below published rates in a drive for business. This condition is held unsound as competition of this sort, it is pointed out, often leads to ruinous rate wars.

However, the main cause of worry is how the companies will fare in times of normal loss ratios with the present lowered rates.

One agent, who is prominent in his local, state and national associations and who has spent close to 50 years in the business, remarked "From the hullabaloo being raised, one would imagine that there will be no more large conflagrations in the United States. That is absurd on the face of it."

ance in 1915 was less than \$18,000,000. In 1925 it was over \$54,000,000, in 1930 \$71,000,000. Premiums fell off during the depression but now in Washington the total will be over \$65,000,000.

Look for Missouri Decision Soon

Those watching the Missouri rate cases predict that federal court will render a decision on the proposed compromise turn about the middle of September. Considerable sand was thrown into the gearing by some of the politicians and some newspapers and this tended to delay action.

Moose Would Make Drastic Change in Nebraska Set-up

ELECT FOR 6 YEAR TERM

Former Official Discusses Insurance Department—Would Make It Independent of Partisan Politics

GRAND ISLAND, NEB., Aug. 28.—"If I had the opportunity to live that period over again, I would follow exactly the same program as I did," Conn W. Moose, recently ousted Nebraska Insurance Director, told nearly 200 managers and agents, members of the Nebraska Life Underwriters' association at their annual convention here Tuesday.

Moose, who had been invited to address the convention before his ouster, had the invitation repeated last week. In his speech he discussed "the past, present and future of the insurance department."

Gives 3-Point Program

The Nebraska department, by comparison with departments of other states, is unworthy of the name, Moose charged. He presented the "ideal solution" to Nebraska's troubled insurance department:

1. Take the department completely out of partisan politics by the adoption of a constitutional amendment.
2. Set up as a separate unit of government, the insurance commissioner, to be elected for a six year term on a non-partisan ballot in the same manner judges of the supreme court are elected.
3. The insurance commissioner to receive a minimum salary of \$7500 a year in order to attract the services of a competent and qualified man.

Mr. Moose was commended for "sincerity of effort, ideals, and intentions as trustee of policyholders. His recommendation to take the department out of politics was not approved by resolution.

Return from Gulf Coast

A number of Mississippi field men have chosen the gulf coast this summer for their vacations, sending their families down and visiting with them on week-ends. Latest of the vacationers to return home are Edward Yerger, Jr., state agent for Home of New York and Rollin D. Fitts, special agent for the Hartford Fire.

Fleeting Glimpses of Washington Meeting

W. F. Bridgeford, well-known agent of Yakima and first president of the Insurance Agents League of Washington, missed the Bellingham convention of the League on account of illness. The executive committee sent him a special message of greetings.

Another staunch agency leader, Charles Flanagan of Wenatchee, president of the North Central Washington Insurance Agents Association, was also among those missing. He underwent an appendicitis operation and complications set in and he was reported seriously ill.

John C. Sturm, president of the Oregon State Agents Association, was a guest at the annual dinner meeting of the Washington League's executive committee. He extended greetings from the Oregon agents.

* * *

Joy Lichtenstein of San Francisco, Pacific Coast manager for the "Two Hartfords" and president of the Pacific Board, is one of the staunchest friends of the Washington League. He took the plane north to Seattle and motored to Bellingham to be present at the sessions and to address the meeting. He covered a number of highly interesting topics in his talk, discussing the new Pacific Board rule 19A. He said that eastern executives were not in accord with the adoption of the rule but that the matter was left to the discretion of the San Francisco managers. Mr. Lichtenstein observed that the rule would forestall the pirating of business by non-standard companies. He also discussed the status of the Pearl of London and dwelt upon the availability of home office funds to pay losses in the United States.

* * *

San Francisco company men who attended were: Chester C. Stutt, manager Netherlands and Caledonian; Harry L. Simpson, associate manager, Great American-Phoenix of Hartford; Walter E. Bliss, agency superintendent, North America; L. B. Grossmith, assistant manager, Cravens, Dargan & Fox; Arthur M. Brown, Jr., Edward Brown & Sons; Carl N. Homer, manager, Travelers Fire; John A. Carlson, secretary, America Fore, and B. O. Selbach, Selbach & Deans.

* * *

Among the greetings received at the opening session were messages from President E. J. Cole of the National Association, Chairman Kenneth Bair, Secretary Walter H. Bennett, and Harold F. Mills, San Francisco, manager Aetna Fire, and chairman of the Washington advisory committee.

* * *

President James A. Miller, after three months at his summer lodge on Orcas Island, appeared at the convention in fine fettle. He was presented with a handsome electric clock containing an inscription of appreciation.

* * *

Ladies in attendance enjoyed an exceptional program of entertainment, including a cruise on Puget Sound to Lummi Island where they enjoyed dinner at the "Willows." Other affairs included a cocktail hour, a bridge tea, sightseeing tour, and the cabaret party.

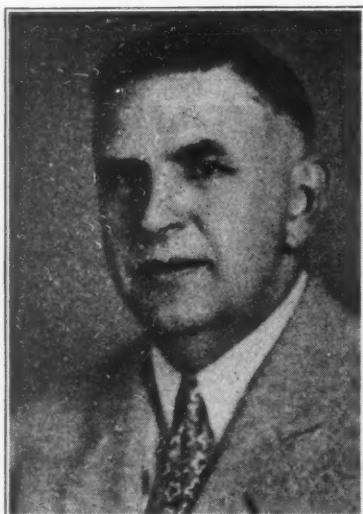
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In connection with the annual convention, the league's official monthly magazine appeared in special attire. Forty-eight pages in size, it contained numerous photographs of agency and company leaders, specially contributed articles and 16 pages of two-colored material.

Washington C. H. Water Service

Washington C. H., O., is in bad shape from a fire protection standpoint. The city council has agreed to pay \$765 a month for water service during the next six months. This was done to prevent the Ohio water service commission from carrying out the permission granted by the state utilities commission to cut off water service for fire protection. In order to get the \$765 a month it has been necessary to drop two policemen and one fireman.

LOCAL BOARD CONFERENCE GROUP



PINCHBACK TAYLOR, Pine Bluff, Ark.



McALISTER CARSON, Charlotte, N. C.



H. J. HAAS, Atlanta, Ga.

At the annual meeting of the National Association of Insurance Agents to be held in Rochester, N. Y., one of the interesting features will be local board conferences. These are divided into three groups, the first composed of those

living in cities up to 50,000 population. Group 2 comprises those between 50,000 and 250,000 and group 3 those over 250,000. It so happens that the chairmen of these conferences all come from the south. Pinchback Taylor of Pine Bluff,

Ark., will have charge of group No. 1, McAlister Carson of Charlotte, N. C., group No. 2 and H. J. Haas of Atlanta who is president of the Georgia Association of Insurance Agents, will be in charge of group No. 3.

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AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS MONTREAL

Wants Outside Departments to Examine All Companies

MOVEMENT IS NOW STARTED

Home Authorities Are Too Lenient in Opinion of Commissioner Hunt of Pennsylvania

PHILADELPHIA, Aug. 28.—A move for the inter-state examination of companies has been started by Commissioner Owen B. Hunt of Pennsylvania.

His first move was to notify companies in twenty-two states that when they were examined by their own states, Pennsylvania would like to be invited to have its own examiner present. Copies of the letters were sent also to the insurance commissioners of those states.

However, Major Hunt's thought is not to have every company examined by every state in which it does business. His thought is for the various states to exchange examiners and examinations; to eliminate unnecessary examinations by numerous states, and to check at their inception any weak spots in companies.

He made it plain that he would not go into any state unless he was invited to do so by the insurance department of that state.

Would Have Caught Weak Spots

He said there are companies doing business in Pennsylvania which are writing about five times as much business in this state as do they in their own state "and the people of Pennsylvania have a right to know that those companies are in good shape."

Major Hunt pointed out that if there had been an arrangement of this sort for inter-state examinations, many of the failures of various companies would have been avoided as foreign examiners would have caught the weak spots early and forced their correction before it was too late.

Floater Issue in Chicago Settled

(CONTINUED FROM PAGE 2)

annual loading charges, subject to a minimum premium of \$50: First \$5,000, \$1.20, next \$5,000, \$0.85, next \$10,000, \$0.45, next \$10,000, \$0.15, next \$20,000, \$0.15, excess of \$50,000, \$0.10.

4. The form of policy and policy form shall be as now promulgated by the I. M. U. A.

5. Members of all classes shall be privileged to place this contract solely with companies affiliated with the I. M. U. A. or the Chicago Board, except as provided in Section 13 of the By-Laws, provided further that the contract be issued in accordance with the provisions of the next paragraph.

6. The contract may only be signed and issued by (1) Metropolitan supervising agent members of the Chicago Board in companies which they represent as agents and for which they are authorized and registered with the Board for the issuance of fire insurance contracts and (2) a single supervising marine office for the company which office need not be a member of the Chicago Board (i. e., one such agency in addition to those permitted under the agency limitation rule) but must be registered with the Chicago Board under an application form specified and approved by the directors and in which the company and the executives of the supervising marine office agree to subject themselves to the rules and regulations of the board governing this contract.

Marine Agencies Unrestricted

Under paragraph 6 the Board is not interfering with or limiting the number of pure marine agencies which any

company may operate within the territory of the Board. This regulation applies only to the issuance of the personal property floater.

The Board has taken no action with regard to the commission and brokerage in connection with this contract.

Attention is called to the fact that companies operating marine offices which are not members of the Chicago Board, under the regulations set forth, must apply for registration under an application form which will be furnished upon request. There is no fee for registration. It will be necessary for such marine offices to be so registered for the reason that members of the Chicago Board under the regulations are not permitted to place this contract with such offices unless they are so registered.

There is interest in whether the I. M. U. A. will now withdraw its ruling whereunder the companies were permitted to write the comprehensive policy ex-fire in Chicago. That ruling was made some time ago to permit the policy to be written while a final settlement was being negotiated. Companies were permitted to write the fire end of the policy through the fire insurance department and the rest through the marine department. Class 1 agents therefore were paid 35 percent commission on the fire insurance portion. The I. M. U. A. may now decide to rescind that rule and require that the personal property floater be written in a single contract, as elsewhere.

Yetka Pays His Respects to Raters at Hibbing Rally

(CONTINUED FROM PAGE 2)

All of these had an excellent rating from this publisher. Some of them went into the hands of the receiver only three months after they got the high rating."

Mr. Yetka said that no rater is in a position to know the true condition of a company as well as the insurance department. He said the insurance department which knows the personnel, the conditions and the background of all of the companies under its jurisdiction, especially the home state companies, is never even consulted by the rating firm when ratings are being assigned the various companies.

Moral Risk Important

"I still believe there is such a thing as a moral risk," Mr. Yetka said. "A company's financial statement only tells part of the story. How about the men who are running it? Are they fair and square, and have they always been honorable in their dealings? If they have that is a big point in their favor. We have seen enough of what has been done to corporations by unscrupulous, scheming officers. If the officials of a company do not have a strong moral fibre, then their company is one to be avoided even if its financial statement looks all right."

A. M. BEST IN FIGHTING MOOD

NEW YORK, Aug. 28.—Declaring that the Alfred M. Best Company will carry the legal fight against Commissioner Yetka's ruling "Just as Far as Is Necessary," President A. M. Best said: "We welcome the decision of the commissioner because it gives us an opportunity to go into federal court and establish our rights and the rights of all publishers—and the right of our subscribers to full and complete information about any insurance company in which they are interested. We are going to see this fight through and carry it just as far as is necessary."

The first step, Mr. Best said, will be to ask for an injunction against the Minnesota order which would revoke the license of companies using ratings not authorized by the department.

Fred Lieber, of the Lieber & Meinhardt agency, Louisville, and J. V. Bowman, state agent for the Fire Association in Kentucky, are in Wisconsin on a fishing trip, leaving Louisville by auto.

Give the Answer to Ohio Queries for Examination

Due to the great demand for material for the solicitors' and agents' examinations required under the new Ohio law, THE NATIONAL UNDERWRITER has prepared for distribution answers to the 565 questions issued by the Ohio insurance department and designated as the official questions on which all examinations will be based.

The questions are divided 218 for fire, 231 for casualty and 116 for surety. An applicant may take the examination of any or all of the three branches, but he may solicit insurance only in the branch or branches in which he is licensed. The Ohio department has distributed the questions to each company, but no answers. Individual inquirers of the department cannot get copies of the questions now, nor can companies receive any answers from the department.

Approved by Ohio Department

THE NATIONAL UNDERWRITER, with the approval of and in connection with the Ohio insurance department, has made copies of all the questions available, together with answers which have been approved by the department. They may be secured in mimeographed form from the Cincinnati office of THE NATIONAL UNDERWRITER, 420 E. 4th street. James C. O'Connor, Jr., editor of the "Fire, Casualty and Surety Bulletins," is the author of the answers. Price is 50 cents for questions on any one topic, \$1.25 for all three (fire, casualty and surety), and \$1 for fire and casualty. Postage is prepaid but the Ohio sales tax of 3 percent must be paid by the purchaser. The rates are on a cash basis only.

There are a large number of applications on file for solicitors' licenses and companies and agencies have been faced with the problem of getting the correct information in the hands of their prospective solicitors. These mimeographed sets will be the solution. Reductions in price are allowed for quantity orders.

These questions are also valuable for preparing for agents' examinations in other states, since the 565 questions are comprehensive and cover practically all phases of insurance.

Lipps President of Idaho Agents

(CONTINUED FROM PAGE 2)

nothing in the next 90 days. While members of the executive committee are getting in touch with the representatives of the various companies.

Joseph Perrault of Boise, president, in his report stated that there is now a membership of 75. The Idaho association sponsored an agency qualification bill this year which was defeated but there were no bills inimical to insurance that passed. The president met with many groups in southern Idaho during the year. This month the southeastern Idaho agents in a meeting at Pocatello formed an organization. President Perrault said that during the last two legislative sessions there has been an effort to put through a state fire insurance fund which the agents combatted. The Idaho agency contact committee meets with the Idaho advisory committee of the companies. At the last meeting Insurance Commissioner Bakes, and Manager Bransund of Idaho Surveying & Rating Bureau attended. He said that all hands are working in harmony. With this situation the president feels hopeful for the passage of an agency qualification bill.

W. H. Bakes, state director of insurance, branded Idaho insurance laws obsolete, and in need of clarification on many points. A revision of present statutes is necessary in order to provide proper supervision over various

types of companies, qualifications of agents, and rating situation.

Ralph R. Breshears, Boise attorney, gave a talk on financial responsibility laws. Harry Whittier, state director of FHA, discussed the work his administration is trying to do in the promotion of building.

On behalf of the National Association of Insurance Agents, Frank T. Priest, executive committeeman from Wichita, Kan., discussed various accomplishments of the National association.

Appeals for Solidarity

John A. Carlson, secretary of the Pacific department of the America Fore group in San Francisco, and chairman of the Idaho advisory committee, made an appeal for solidarity among organization companies and their agents, in his address before the Idaho association.

The insurance structure, he said, is in delicate balance. The average profit of National Board companies over a long term of years is less than 3 percent. Nevertheless, some companies commit financial suicide by attempting to build their business on a cut rate basis. The serious danger of congested liability is incurred by concentration of risks brought about by insufficient income. "Companies that incur this danger, lightly should not be trusted lightly," he said.

Specialty Companies and Reds

The capital stock companies which operate according to universally accepted good practices and in harmony with their agents and other companies offer the safest and most economical medium for the distribution of loss, according to Mr. Carlson. "So-called non-organization or specialty companies that have taken the easy way and have lived by granting their demoralizing favors to a few are just as destructive and dangerous to safe insurance as are the communists and other reds who take political liberties with orderly government," he declared.

Referring to the effect on the setup by the action of cut rate companies that specialize in preferred classes, Mr. Carlson said that if the business of these operators increases greatly, and thus force an increase in the loss ratios of standard companies writing a general classification, beyond the profit point, a large part of the public will be denied insurance or forced to pay burdensome premiums.

Mr. Carlson deplored the tendency of the business to divide itself into antagonistic producer and company groups. Much of the conferring and cooperating has been on a war basis, he declared, with truce as the goal rather than permanent peace or the harmonizing of differences.

However, there have been movements in the right direction. The Pacific Coast has made strides through the various contact, conference and advisory committees, in those states which have rate filing laws. These bodies have no police powers or disciplinary duties and they have succeeded through coordination and interpenetration of many ideas from a variety of sources.

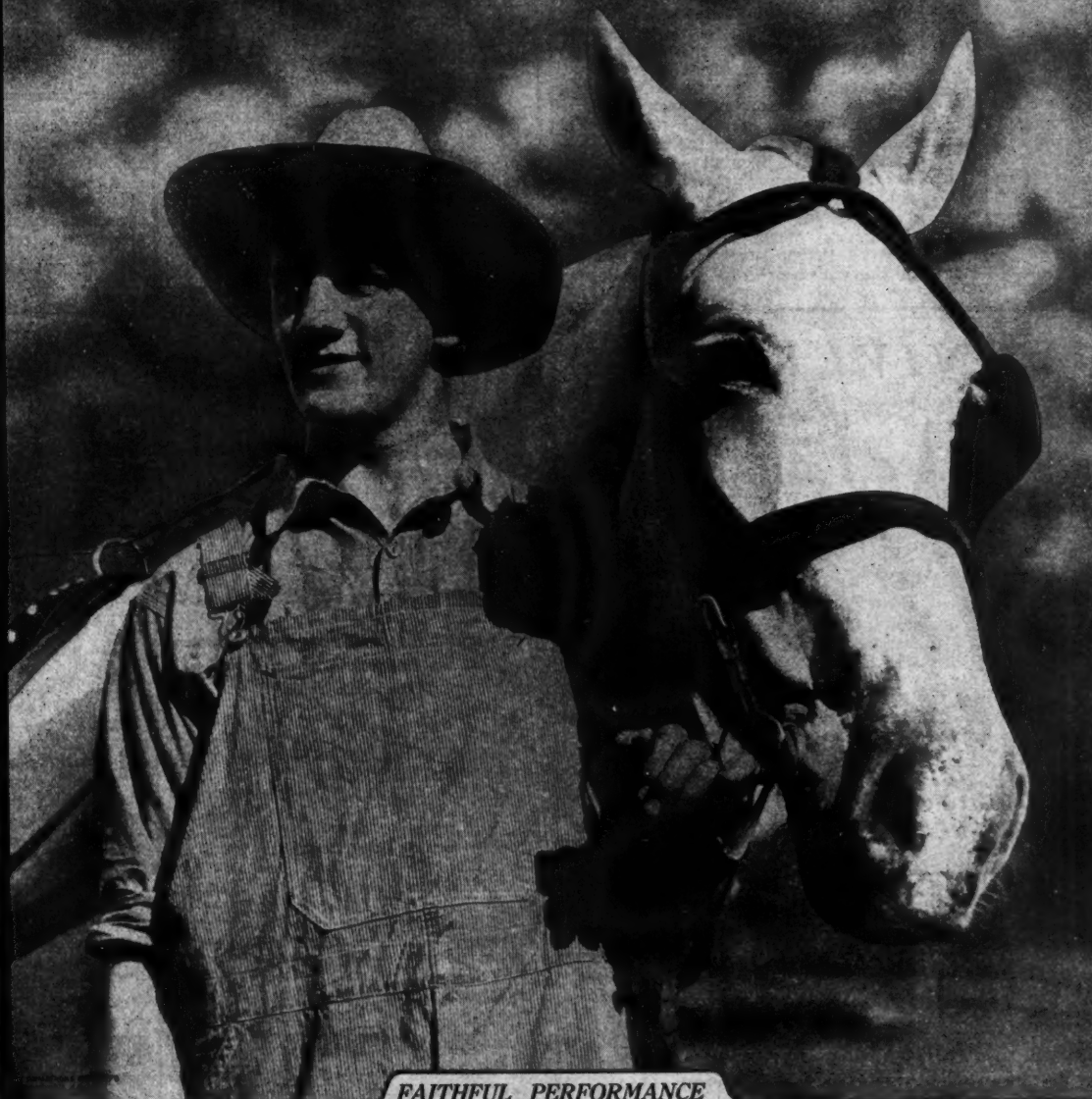
Mr. Carlson related the cooperation of agents and companies in reforming the farm business in California.

Denver Pyromaniac Caught

DENVER, Aug. 8.—Denver police finally captured a pyromaniac believed to be responsible for a series of 24 incendiary fires in four days. He was a youth of 17 years. Because of quick discovery and efficiency on the part of the fire department, none of the blazes was serious. The youth gave his name as Warren Cramer, son of an Oakland, Cal., doctor.

George E. Whitten, Granite City, Ill., agent, died from the effects of poison he drank at his home, 2243 Cleveland avenue. Relatives and friends believe he drank the poison accidentally. He was 50 years old and a widower.

LOYALTY



FAITHFUL PERFORMANCE

The horse has rendered to mankind a service beyond computing, ploughing the ground, harvesting his food, carrying his burdens, speeding his communications and facing death in his battles, dumbly begging in return, with gentle, pleading eyes, naught save a little care and the plainest of rations.

Surely, if "patient endurance is Godlike," there must be an equine heaven with tender grass and gentle breezes to reward the long suffering patience and loyal endurance of our ancient friend, the horse.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey, organized	1855	Milwaukee Mechanics' Insurance Company	organized	1852
The Girard Fire & Marine Insurance Company	" 1853	National-Ben Franklin Fire Insurance Company	"	1866
The Mechanics Insurance Company of Philadelphia	" 1854	The Concordia Fire Insurance Company of Milwaukee	"	1870
Superior Fire Insurance Company	" 1871	The Capital Fire Insurance Company	"	1886
The Metropolitan Casualty Insurance Company of New York	" 1874	Commercial Casualty Insurance Company	"	1909

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CANADIAN DEPARTMENT
461 Bay Street, Toronto, Canada

EASTERN DEPARTMENT
10 Park Place
Newark, New Jersey

PACIFIC DEPARTMENT
220 Bush Street, San Francisco, Cal.
SOUTH-WESTERN DEPT.
912 Commerce Street, Dallas, Texas

NEWS OF FIELD MEN

Iowa Changes of America Fore

W. I. Gillen Is Transferred From Wisconsin—Responsibilities of Hull, Lenehan and Phillips Revised

A revision of the Iowa field is announced by the America Fore group.

W. I. Gillen, Wisconsin special agent, is being transferred to Iowa as state agent for the Fidelity-Phenix and Maryland. Charles Cook was recently transferred from Iowa by the America Fore group.

J. W. Hull becomes Iowa state agent for the Continental and American Eagle, being assisted by Special Agent J. W. Lenehan. Heretofore Mr. Hull and Mr. Lenehan have represented all of the companies in the group in southern Iowa.

The headquarters of Messrs. Gillen, Hull and Lenehan will be in the Des Moines building in Des Moines.

E. R. Phillips has been appointed state agent in Iowa for the Niagara and First American. Heretofore he has

represented all six companies in northeastern Iowa. His headquarters are in the Higley building in Cedar Rapids.

St. Paul Expands Field Force

Lane Leaves New York Underwriters to Take Wisconsin Post—Bergeron to Indiana

The St. Paul Fire & Marine has appointed Nelson C. Lane special agent to assist State Agent D. O. Stine in Wisconsin. Mr. Lane has represented the New York Underwriters as special agent in Minnesota for seven years. His new headquarters will be in Milwaukee.

L. G. Bergeron has been appointed Indiana special agent of the St. Paul Fire & Marine group including the St. Paul-Mercury Indemnity. Since 1927 he has been claims attorney for the companies at the home office and prior to that was, for two years with the claim department of the Hardware Mutual of Stevens Point, Wis. He is a graduate of the University of Minnesota and the

Minnesota College of Law. In 1922 he made a connection with the claim department of the Ocean Accident with which he continued for three years. He will make his office with W. J. Henshaw, Indiana state agent of the company, in Indianapolis.

Tribute Is Paid T. C. Little

Michigan Field Men Honor Their Associate Who Is Transferred to Iowa

DETROIT, Aug. 28.—Forty-four Michigan field men, close friends of T. C. Little, for the past nine years Wayne County manager for the Fireman's Fund group, gathered at a luncheon Monday to bid him farewell. Mr. Little left this week for Des Moines to assume his new duties as state agent for the Fireman's Fund group for Iowa, including the Hawkeye & Des Moines department of the fleet. It is one of the big strongholds of the company.

G. H. Harrison, Michigan manager for the Western Adjustment and most loyal gander of the Michigan Blue Goose, acted as toastmaster, introducing F. D. Row, Springfield Fire & Marine, who presented the guest with a pair of matched house lamps.

Mr. Little expressed pleasure over his advancement but asserted that he felt reluctant to leave Michigan where he has made so many good friends in the past decade. He has been especially active in association work, having served the Michigan Fire Underwriters Association in several official capacities including that of president during 1933-34. The testimonial luncheon was arranged by G. R. Pritchett, American of New Jersey; L. J. Gilmour, America Fore and G. R. Edleman, of Edleman & Hubbard, Home of New York fleet.

Brainerd Goes to Head Office

Norwich Union Makes Announcement as to Important Changes in the Ohio Field

C. E. Brainerd, Ohio state agent of the Norwich Union Fire group, is being transferred to the head office in New York as agency superintendent in the western and southern department. He was formerly agency superintendent in the western department, having been transferred to Ohio some years ago.

J. A. Neilan, formerly an examiner in the New York office and recently appointed special agent in Ohio to serve with Mr. Brainerd, is appointed state agent with supervision over western Ohio. Rex J. Klinkenborg of Fargo, heretofore state agent in North and South Dakota, is transferred to Ohio to take charge of the eastern part of the state as state agent. Both men will maintain their headquarters at 35 East Gay street, Columbus. Mr. Klinkenborg has been prominent in fire prevention work in the Dakotas and is president of the North Dakota Fire Prevention Association.

Carter Now at His Home

Edwin J. Carter, Michigan state agent for the Scottish Union & National, who experienced a very serious automobile accident July 8 which fractured his left leg, is recovering very nicely and has been removed from the hospital to his home, 111 South Philip Ave., Detroit.

Fire Association Appointments

The Fire Association announces several field changes.

Special Agent Townsend Mackintosh, formerly in Philadelphia suburban territory, has been transferred to Newark as special agent in northern New Jersey exclusive of Hudson and Essex counties, which will, as heretofore, be supervised by R. A. Macdonald.

James T. Guyon, who, for the past 10 years has occupied various under-

Colorado Commissioner Is in Gallery of Fame

DENVER, Aug. 28.—Jackson Cochran, insurance commissioner, who a short time ago was the object of much criticism about the manner in which he was conducting the department, has been placed in the gallery of fame of a Denver newspaper as having done his state the somewhat unusual favor of returning funds advanced for expenses to the recent commissioners' convention in Seattle. Mr. Cochran explained that he was returning nearly two-thirds of the advance because he had been entertained by friends while away from Denver and only had transportation expenses. The negligence charges against the commissioner were dropped some time ago.

writing desks at the Philadelphia head office, has been appointed Philadelphia special agent.

Wallace D. Williams, Jr., who has occupied many posts in the office, is now appointed special agent in Philadelphia suburban territory, succeeding Mr. Mackintosh.

Utah-Idaho Pond Elects

At the annual meeting of the Utah-Idaho Blue Goose, at Salt Lake City, H. R. Brashears was elected most loyal gander; Ormand Kaller, supervisor; George P. Mang, custodian; R. R. Moe, guardian; R. T. Williams, keeper of the golden goose egg; R. F. Barich, wielder of the goose quill. The members and their ladies went to Hot Pots in Weber City and the men had a spirited game of baseball. There was a dinner following the dance.

Will Pay Tribute to Martin

The Michigan field men will pay tribute to R. J. Martin, former special agent of the Phoenix of Hartford, Equitable F. & M., and Minneapolis F. & M. in eastern Michigan as soon as he can return from Kentucky for a few days, where he has been transferred as state agent. Mr. Martin served as secretary and treasurer of the Michigan Fire Underwriters Association last year but in June of this year he was elected vice-president.

Flood Acting Ohio Wielder

Bernard F. Flood is acting wielder of the Ohio Blue Goose since the recent death of Fred W. Ransom. Mr. Flood is with the Royal-L. & L. & G. at Columbus. The September meeting of the Blue Goose is to be held in Cincinnati, Sept. 9-10 in connection with the field meeting and at that time a successor of Mr. Ransom will be chosen.

Michigan Field Meeting

The executive committee of the Michigan Fire Prevention Association will meet in Detroit, Sept. 10, when the committee appointments will be announced and plans will be made for town inspections during the coming month. The Michigan Fire Underwriters Association will meet in the morning with R. N. Menzies, Great American, presiding.

Johnson Made Special Agent

Wilmot W. Johnson, formerly engineer in the Pittsburgh office of the America Fore group, has been appointed special agent for Allegheny county. He will succeed P. K. Garver, who was recently killed by lightning while playing golf.

To Resume Mountain Field Meetings

DENVER, Aug. 28.—The Mountain Field Club will resume its meetings in Denver Sept. 3. Consideration will be given to matters which should be referred to the annual meeting of the supervisory committee Oct. 8.

225TH ANNIVERSARY



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O. Tregaskis, U. S. Manager

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309 W. Jackson Blvd., Chicago
Chas. W. Ohlsen, Manager

PACIFIC COAST DEPARTMENT
San Francisco, Cal.
Swett & Crawford, General Agents

MARINE DEPARTMENT
111 John St., New York
Wm. H. McGee & Co., Inc., Gen. Agts.

SUN INDEMNITY COMPANY
55 Fifth Ave., New York
F. I. P. Callos, President

AS SEEN FROM CHICAGO

MATTHEWS OPENS OFFICE

Ernest A. Matthews, regional supervisor of the Stock Company Association for Illinois and Wisconsin, has located his office at 554 Chicago Civic Opera building, 20 North Wacker Drive, Chicago. Mr. Matthews was formerly in the field for the Liverpool & London & Globe and later the Century.

* * *

CLEAR AGENCY CAMPAIGN

The Western Underwriters Association has been carrying on a militant campaign to clear agencies in all states where this work can be legally done. It has just finished active work in one state, directed largely against forcing mutuals out of clear agencies. In a number of cases agents have been accustomed to take on mutuals largely for competitive reasons but the W. U. A. people object to this procedure and they are forcing the agents to clean house or have their commissions reduced to 15 percent. This pressure will be brought to bear throughout the territory. Outside of the states where the organization cannot legally act it is estimated that the agencies are from 90 to 95 percent clear.

At the annual meeting of the Western Underwriters Association President E. A. Henne called attention to the necessity of having clear offices represent W. U. A. companies. He said that not only the outside stock companies but agency mutuals are attempting to find lodgment in clear agencies. This brought on a very aggressive movement and the officials are delighted with its success.

* * *

R. A. PARKER ASSISTANT MANAGER

The directors of the Chicago Board, acting on the recommendation of Manager J. S. Glidden, have promoted Robert A. Parker to the position of as-

sistant manager. Mr. Parker has been connected with the board since 1923 and for the past two years has been superintendent of the rating department. He is a brother of George H. Parker, manager of the Kentucky Actuarial Bureau. His first connection with the business was in 1919 in the electrical department of the Underwriters Laboratories. Then he joined the Western Actuarial Bureau and from there went to the Chicago Board. He is the author of the Canadian Fire Underwriters Association correspondence course on the analytic system.

Mr. Parker will continue his work as head of the rating department, but will be shouldered with broader responsibility as well and will attend meetings of the directors and of committees.

* * *

CHICAGO LLOYDS TO MOVE

Arrangements have been completed by Chicago Lloyds to establish its head office in a new location in the Field building—the newest important loop structure, on La Salle street. The head office of Chicago Lloyds has been located in the Straus building on Michigan avenue ever since Chicago Lloyds was organized in 1924. Some 7,500 square feet on the 20th floor of the Field building will be occupied.

In its midyear statement Chicago Lloyds shows assets \$1,735,675, premium reserve \$432,194, loss reserve \$181,779 and surplus to policyholders \$1,052,638.

* * *

WITH BARTHOLOMAY-DARLING

C. E. Cheever has been appointed Cook county special agent for the Chicago local agency of Bartholomay-Darling Company. Mr. Cheever started in the insurance business in 1920, in the western department of the Fire Associa-

tion. He was manager of the automobile department of the Great Lakes Fire of Chicago until its business was reinsured. Recently he was with the Cord Tire Company in its insurance department. He has many insurance friends.

* * *

Pamunkey Tribe Member Cards

C. C. Klocksins, legislative counsel Northwestern Mutual Life of Milwaukee, who is scribe of the Pamunkey Tribe of Real Indians, a social order performing at the time of the annual meetings of the insurance commissioners, finds that some membership cards sent out to the initiates at the Seattle meeting were returned and some names were unidentified because the registration is incomplete. Scribe Klocksins will be glad to send out membership cards to new members if they have failed to receive them.

Col. Joseph Button, former Virginia commissioner, is the big chief; Lamar Hill, vice-president America Fore fire group of New York, is sachem; E. C. Stone of Boston, United States manager Employers Liability, prelate; John R. Dumont, manager Interstate Underwriters Board at New York, is guide; D. F. Broderick, premium finance man of Detroit, is inner guard; C. W. Fairchild, Association of Casualty & Surety Executives, is outer guard, and Clare A. Lee of Portland, Ore., former Oregon insurance commissioner, is medicine man.

Water Damage Coverage

Several inquiries have been inspired by the recent article in THE NATIONAL UNDERWRITER referring to stock of several Woolworth stores that was damaged by water as a result of heavy rains in Chicago some time ago, the stock being taken over by the Underwriters Salvage Company of Chicago. The inquirers desired to know whether the damage was done by the backing up of sewers or whether by the rain overflowing and running into the basements

Lintner Quits HOLC Post to Open Branch for Pearl

WASHINGTON, Aug. 28.—A. Laverne Lintner has resigned as chief of the insurance division of the Home Owners Loan Corporation, effective Sept. 1. He will open and manage in Washington a new branch of the Pearl-American fleet, which includes the Pearl, Monarch Fire and Eureka-Security.

Mr. Lintner went to the HOLC in 1933, previously having been connected with the Hartford Fire in Chicago. He had been selected to organize and direct the insurance activities of the corporation under the supervision of the federal home loan bank board.

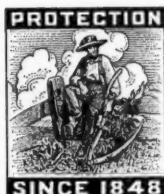
Mr. Lintner was scheduled to become manager of the Stock Company Association, but the Pearl offer apparently proved more attractive. He is only 23 years of age, having been born in Humboldt, Kan., in 1912. He joined the Hartford in 1931, taking the fire insurance course at Northwestern University at the same time.

through windows, doorways and other openings.

The losses in question were not due to the backing up of sewers. Torrential rains, in these cases, taxed the capacity of sewers, the water flowed down streets and alleys and poured into the basements through natural openings. The water damage policy does not cover loss on account of the backing up of sewers.

The Woolworth people have suffered some 15 water damage losses to various stores in the west in the last two years. There is a \$1,000 deductible clause in the policies.

Miss Frances Parker, librarian of the Canadian Institute of Insurance at Winnipeg, visited San Francisco to inspect the library of the Fire Underwriters Association of the Pacific.



OHIO FARMERS INSURANCE

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Large factories and small shops depend on Ohio Farmers Insurance for protection. Owners recognize the worth of a company that has been in step with the times since 1848.

Industry is different - - insurance is different - - than it was 87 years ago when the Ohio Farmers was a pioneer in the Middle West. Today, as then, this company issues protection based on ample resources, integrity and cooperation.

Every obligation met since 1848.

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Strength

The Insurance business has proven its ability to withstand the forces of economic pressure—We are proud of the part our agents have played in the battle



Will Wrightem
Field Correspondent

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INSURANCE CO. LTD.
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THE ACCIDENT & HEALTH REVIEW
The only exclusive accident and health paper published.
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Reelect Brown at Minnesota Rally

(CONTINUED FROM PAGE 3)

in that it has two flourishing regional subsidiaries, the Range Association and the Southern Regional Association. These two bodies give the association strength outside of the Twin Cities. They cooperate closely with the organization but in some respects are independent of it. This set-up makes the Minnesota association a vital and all inclusive state unit.

C. O. Brown of Rochester who presided as president at all of the business sessions was elected chairman of the executive committee at the St. Cloud meeting last August. In May of this year President Frank C. Esterly died. Mr. Brown was advanced to presidency, continuing also as chairman of the executive committee. His reelection was a foregone conclusion. He was entitled to it on his record.

At the opening session, mostly routine business was transacted. J. G. Early, president Hibbing Chamber of Commerce and H. A. Levant, Eveleth, President Range Association of Insurance Underwriters gave addresses of welcome. P. H. Ware, Minneapolis, secretary Minnesota association, responded.

Reports in Dual Capacity

C. O. Brown read his report as both president and executive committee chairman. He paid a fine tribute to former President F. C. Esterly. He said the executive committee held five working meetings during the year, all well attended. He commended the workmen's compensation rating committee of which Charles F. Liscomb, Duluth, is chairman. The association, he explained, has approximately the same number of members as last year, but the quality has greatly improved.

The formation and continued development of local boards is the foundation upon which the success of the association rests, Mr. Brown said. The Minnesota association will continue to give much time and thought to this work. Mr. Brown especially complimented the Southern Minnesota Regional Association for the work that it has done in establishing and fostering local boards, even in the smaller towns.

During the year a special committee has been considering the advisability of the appointment by the Minnesota association of a full time secretary. Mr. Brown said this committee has gathered considerable data, but its members feel that they have not had sufficient time in which to form a definite opinion. Mr. Brown recommended that this question be referred to the incoming executive committee with full power to act.

R. M. Thompson, executive secretary, submitted his report which showed the association in sound financial condition and with a membership total of 433.

This is a loss of eight during the year. S. C. Aldridge, St. Paul, gave his report as chairman of the membership committee. He said the membership in the larger cities is reasonably satisfactory, and that most of the new members will have to come from the smaller communities where business conditions recently have been anything but favorable. He suggested that in the future the association vice presidents be held responsible for membership gains in their various communities, and that greater care be exercised in selecting vice presidents. He predicted a membership increase during the coming year.

Loss Adjustment Pledge

F. F. Preston, Minneapolis, said that recently the association had been reminded by J. C. Harding, manager Springfield F. & M., of a resolution adopted in 1930 to the effect that agents permitted to assign losses would give them only to adjusters or adjusting firms handling losses for stock companies exclusively. Mr. Harding asked, in his letter, for continued cooperation. Mr. Preston said he had not been able to discover that any Minnesota agents were violating the resolution.

Arthur A. Hirman, Rochester, reported as chairman of a committee appointed to determine the advisability of the publication by the association of a monthly bulletin. Mr. Hirman said 20 state associations are now publishing their own bulletins, although Minnesota (sixth in point of membership) is not. He exhibited samples of several of the successful state organs. This month Mr. Hirman got out an issue of a bulletin for the Minnesota association to show what could be done. He strongly advocated regular publication, either with or without advertising. President Brown asked for an expression of sentiment, which revealed those present overwhelmingly in favor of the project. It was referred to the executive committee with power to act.

Auto Insurance Problem

At the first afternoon session, Norman M. Paul, manager of the Travelers at Minneapolis and chairman of the Minnesota automobile rating committee, led a discussion on automobile rates. He said that if the automobile loss ratio continues to rise, automobile business will soon be in the same category as workmen's compensation. In Minnesota there are 600,000 cars, but only 22.6 percent are insured.

There are, Mr. Paul said, five classes of automobile owners: 1. Those now carrying insurance; 2. Those who can afford it, but who have not been solicited; 3. The man who thinks he cannot afford it but really can; 4. The drivers

HANOVER

SOUND SECURITY

That's what your Assured wants

That's what you want—Mr. Agent

That's what our policies guarantee to both of you

83 YEARS OF HONORABLE OPERATION

\$4,000,000 CAPITAL JAN. 1, 1935

\$8,764,733 POLICYHOLDERS' SURPLUS

\$14,392,064 ASSETS

LOSSES PAID SINCE ORGANIZATION \$81,097,007

The HANOVER FIRE INSURANCE COMPANY of New York Charles W. Higley, Pres.

who actually can't afford it; 5. The undesirable risks.

Mr. Paul referred to the rising automobile death and accident total, saying that a compulsory intelligence test would eliminate many unfit drivers. He made comparisons to prove that automobile insurance is the most inexpensive form of property coverage. Explaining the purposes of the rating committee, Mr. Paul said it has nothing to do with rates; that rates in Minnesota reflect the total company experience, and that the committee works through and with the insurance commissioner.

The next automobile rate revision for Minnesota will take place Jan. 1. Thomas Gill, Virginia, objected strenuously to the high automobile rates in effect in the Range cities. He said that no other section of the country of similar size and population is so discriminated against as to rates. He voiced the sentiments of a majority of Range agents.

Kenneth H. Bair, Greensburg, Pa., spoke as chairman of the executive committee of the National Association of Insurance Agents. S. H. Quackenbush, Freeport, Ill., manager Westchester, gave a talk on the obligations of the agent to the public. J. D. Hall, Chicago, manager United States Fidelity & Guaranty, spoke on automobile accident prevention, using graphic charts to illustrate his remarks.

Liscomb Is Toastmaster

A. H. Kleffman, Hibbing, secretary Minnesota compensation board, said that new compensation rates will be published Dec. 1. There will be practically no rate increases, he said, and probably some decrease in the 600 classifications. The board was established in 1921. Since that year the companies writing compensation in the state have shown a profit in only one year—1927. Last year, however, there was again a slight profit.

Charles F. Liscomb, Duluth, was toastmaster at the banquet which

brought out a crowd of 175. A musical program was provided by local talent. Judge Martin Hughes, Hibbing, was the featured speaker. H. J. Burrage, THE NATIONAL UNDERWRITER, gave a short talk. The local arrangements committee was introduced. The dinner was followed by dancing.

Mr. Liscomb read the report of the workmen's compensation committee. He reviewed the events prior to the reduction of compensation commissions last May. He expressed confidence that a restoration of the old commission scale will come as a result of a meeting to be held this fall with company and bureau officials. William Leslie, assistant manager of the National Bureau of Casualty and Surety Underwriters, wrote Mr. Liscomb two weeks ago saying that if a compensation rate increase is granted in the fall the old commissions will be restored. This year a rate advance of nine and a half percent was granted, although 16½ percent was asked. Mr. Liscomb urged agents to adopt the company attitude in writing compensation risks so as to improve the experience.

Frank J. Ney, Minneapolis, who served during the year as chairman of a committee to revise the constitution and by-laws, submitted his report which was adopted. It provided for 11 changes to the constitution and six to the by-laws. No changes had been made since 1908. The effect of the changes is to modernize the association's articles.

Delegates to National Rally

Mr. Liscomb was made national councillor. President Brown, S. C. Aldridge, St. Paul, and E. C. Huhnke, Duluth, were named delegates to the national convention.

The following regional vice presidents were elected:

District 1, H. L. Carpenter, Crookston; district 2, W. C. Knudsen, Hibbing; 3, F. S. Compton, Duluth; 4, William Graham, Brainerd; 5, J. Pierce Wolfe, Moorehead; 6, George Teeson, Alexandria; 7, Howard Williams, Mankato; 8,

Archer Young, Faribault; 9, Francis McGovern, Rochester; 10, Cecil Reid, St. Paul.

The finance committee consists of Alex Campbell, Minneapolis, chairman; H. H. Matteson, St. Paul, and A. L. Gerry, Duluth.

The legislative committee is R. A. Burns, St. Paul, chairman; P. S. Engman, Virginia, and E. F. Westrum, Albert Lea.

CONVENTION NOTES

A registration fee of \$2.50 was charged; \$3.50 for those accompanied by their wives.

All of the business sessions were held in the Elks Temple.

The convention committee in charge of local arrangements consisted of 10 Hibbing agents and two from Eveleth.

H. A. Levant of Eveleth, president of the Range Association of Insurance Underwriters, and Wm. Knudsen, Hibbing, the Range Association's secretary, were responsible for handling most of the local details.

As usual, the attendance of Minneapolis and St. Paul agents was relatively light.

Committees appointed by President Brown to serve during the convention were: Nominating—A. W. Ingenhutt, Minneapolis, chairman; F. S. Compton, Jr., Duluth; L. A. Ritt, St. Paul; S. J. Talle, Eveleth and Howard L. Williams, Mankato.

Resolutions—E. B. Dunning, Duluth, chairman; C. S. Babcock, Austin; Ralph W. Johnson, Virginia; H. H. Madison, St. Paul, and Ward F. Senn, Minneapolis.

George W. Wells, Jr., secretary Northwestern National Life and former Minnesota insurance commissioner, mingled with old friends in the hotel lobby.

For the ladies present (and there were many on hand) there was a sightseeing trip through the Hibbing high school;

an organ recital in the high school auditorium and a trip to the observation tower of the largest open pit mine in the world.

On the last afternoon there was a blind bogey golf tournament at the Mesaba Country Club with prizes for everyone.

Kenneth H. Bair, chairman of the executive committee of the National Association of Insurance Agents, was presented with a zipper traveling bag by the Range Association. H. A. Levant, president of the Range Association, made the presentation.

E. A. Stortveit, Albert Lea, and Harry A. Sundberg, Minneapolis, won the attendance prize consisting of merchandise.

Field men were present in goodly numbers.

St. Paul made a bid for the 1936 convention in the form of a letter from the St. Paul Insurance Exchange, read at the closing session by S. C. Aldridge, St. Paul.

J. G. McFarland, agency superintendent American of Newark, attended some of the sessions.

There was a total registration of 112.

Southern Minnesota furnished the largest delegation. There were 32 from the Southern Regional Association on hand.

Pacific Northwest Notes

John H. Luhn, vice-president of Fidelity & Deposit, with charge of the company's claim office in Baltimore, is spending his vacation in the Pacific Northwest.

G. A. O'Sullivan, H. W. Hinchman Company; Ed W. Lowe of the National Fire and William P. Cassell of National Union Fire, have formed "Insurance Row," for the summer months at Cama Beach on Camano Island, Seattle.

The Washington Blue Goose picnic was held at the Lake Washington estate of Roy Nelson, special agent for National Auto Theft Bureau at Seattle.

★ INTER-OCEAN REINSURANCE COMPANY ★

Roy E. Curray, President
Karl P. Blaise, Vice Pres. and Secy.

Alonzo Church, Vice President
J. L. Campbell, Secretary

CONDITION JUNE 30, 1935

ASSETS		LIABILITIES	
Cash in banks.....	\$ 350,893.26	Unearned premiums.....	\$2,026,452.42
U. S. Government bonds.....	1,345,055.62	Reserve for losses.....	204,079.18
All other bonds.....	1,097,496.54	Reserve for taxes.....	57,500.40
Stocks.....	866,566.24	Funds held for treaties.....	73,199.08
First mortgage loans.....	235,443.00	All other liabilities.....	94,209.24
Home office building.....	86,402.22	Voluntary reserve.....	150,000.00
All other real estate.....	83,850.00	Capital.....	\$ 500,000.00
Collateral loans.....	21,347.19	Surplus.....	1,348,387.51
Accrued interest.....	27,884.62		
Due from insurance companies.....	338,889.14	Treatyholders' surplus.....	1,848,387.51
Admitted assets.....	\$4,453,827.83		\$4,453,827.83

This statement is based on market values as of June 30, 1935.

Reinsurance—Fire and Allied Lines

EASTERN DEPARTMENT
123 William Street
New York City

HOME OFFICE
Inter-Ocean Bldg.
Cedar Rapids, Iowa

Takes Inventory of the Business

(CONTINUED FROM PAGE 1)

refuse to appoint agents who have indulged in questionable practices or to continue to stay in such agencies the question is resolved to the honor of the business and the ultimate profit of the company. If an agent deal unfairly in competition with his fellows it follows that he will pull a fast one on his company if it is to his advantage to do so."

Should Keep Out of Rate Making

Mr. Bair said that companies say that the agents should keep their fingers out of the rate making pie. Agents have been told, he said, by companies that they cannot afford to take their local representatives into their confidence because the latter will take advantage of them if they do so. Then the agents say that if the companies would appoint only trustworthy agents they could afford to take them into their confidence and supply them with facts and data which would justify rate increases to their own satisfaction and so enable them to go forth and sell with confidence. Mr. Bair asserted that it is fundamental that the foundation of successful selling rests on confidence in the goods to be sold. Agents, he said, must be convinced of the integrity of the rate making processes and the loss experience records must be unquestionable before they can sell their contracts.

Blunder of Casualty Companies

One of the major blunders of the casualty companies, he averred, is their most recent undertaking to secure approval of a new compensation rate formula and their attitude toward the state association committees on which they relied to sell their program to the authorities. He said that the National Bureau of Casualty & Surety Underwriters asked the agents to accept the rate formula blindly and to persuade the some times skeptical authorities that the loss cost calculations were accurate. He said that it is to the everlasting shame of the casualty companies that despite the efforts of agents in their behalf they have failed to obtain the exact increases asked and their answer was to make up the deficit out of commissions.

Position of Fire Companies

Mr. Bair said that the fire companies are in an unusually happy position because of their splendid loss experience last year and up to date this year. The fire companies he said are going to need all possible assistance from agents in demonstrating to the people and to the insurance departments that no drastic rate reductions based on the experience of a single year or two year period can be made without jeopardizing their solvency and loss paying ability. Agents generally, he said, will be inclined to help the fire companies, but they would do it more enthusiastically and with better grace if these companies displayed a more sympathetic attitude towards agency problems and curtailed branch offices, wholesale and overhead writing operations.

Mutuals Entering Stock Agencies

Mr. Bair said that the stock companies are disturbed at the present time with the efforts of the agency mutuals to enter established stock company agencies. They are more agitated by this trend than by their direct writing policy. Mr. Bair said that agents are some times tempted to retaliate for the obvious disinclination of the organized stock companies in so many cases to consider their rights and on occasions they feel that it is a matter of self-preservation to secure representation of non-stock carriers.

Mr. Bair then asked whether the stock company agent can divide his allegiance and whether he can be fair to his assured in offering two types of protection. He said that the agency mutuals are not building up their own agency forces

half so much as they are trying to reach the rewards of the business the stock companies have built. The success of the effort of the mutuals, he said, would be measured by the alacrity with which the best agents fall in with their plans.

Here is Mr. Bair's position: "We must feel that we must stand firm; that we must not deviate one iota from the principles of stock insurance and allow the other type to capitalize either on stock agency contacts of its officials or on the temptation to retaliate for stock companies' neglect of our rights. Our grievances are many but we believe that our cause is just, but let us fight them out to the last ditch and if necessary within our own family. Let the mutuals establish their own agencies irrespective of us. There lies the way of fair competition in business."

Assigned Risk Practice

Mr. Bair, after dealing in a very forceful and logical way with some of the problems, turned his attention to the issues confronting the National Association of Insurance Agents on the eve of its annual convention. He said that branch offices, overhead writing and wholesale insurance are not waning but are waxing stronger day by day. Compensation commissions are arbitrarily cut. A precedent has been established in New York where the insurance department ordered a reduction.

The assigned risk in compensation has sprung up. It may be successful in forestalling monopolistic state funds but Mr. Bair said it is resulting in bringing about a direct contact between company and assured not in accord with the principles of the agency system. No man knows how far-reaching this plan may become, he said.

In speaking of premium finance companies he said that he saw no good reason why an agent should not offer his assured the service that he needs, providing he thoroughly investigates the finance company. Agents are concerned and are rightly so, he declared, over losing the bulk of fire and theft insurance on new financed automobiles. A committee was appointed by the National association to carry out a program. Under its interpretation a three-way program was outlined. First to see that the agent gets his over riding commissions from agency companies; secondly, to attempt to have automobile dealers stopped from writing insurance; and thirdly, to have the National Automobile Underwriters Association carry the loss experience on financed automobiles separate from regular automobile experience. Later on he said the subject of cash sales, solicitation of renewals and writing public liability and property damage arose. The contacts developed by the committee with the head officials of the four leading finance institutions brought from

them all definite statements that they are not interested in any of these three items.

Mr. Bair referred to the discussion that large buyers of insurance were organizing throughout the country and many of them he said are seeking to establish direct relationship with companies. It has been indicated, he said, in the past by the fire companies that they are receptive to these overtures. Not long ago, he said, one of the leaders in the buyers' group wrote to the National association saying that unless the agents indicate an increased interest in the forms they sell and the rates charged the buyers will look elsewhere. This he declared is diametrically opposed to the companies' idea that rates and forms are of no concern to the agent. "It leaves us suspended between our customers on the one hand and our companies on the other," added Mr. Bair.

Must Look After Clients

Mr. Bair continued: "If in our concern to make a sale we neglect to take into consideration the needs of the client, we deserve to lose his business. If on the other hand that particular client wants preferential treatment as is so often the case, then we must pause. We must seek to find the golden mean between his interest as an assured and the interest of the insurance company on which rests the responsibility of assuming the risk and of abiding by the anti-discriminatory statutes."

Mr. Bair believes in facing the facts. He believes the majority of the companies as well as the agents are honestly doing their utmost to solve the many difficulties of the business. There are old questions as well as those that arise from time to time from changing conditions. Unfortunately he said among both companies and agents there is a selfish minority trying by unethical tactics to gain an unfair division. He still believes in the old adage that by honest, persistent effort "right will prevail."

Thieme Head of Washington Body

(CONTINUED FROM PAGE 3)

for eastern Washington. Harold N. Mann of Tacoma was added to the executive committee and four others—Harry Paxton of Walla Walla, H. T. Anthony of Spokane, Tom Foster of Longview, and C. J. Sorensen of Bellingham—were re-elected to serve additional terms of three years.

The appearance of Frank T. Priest of Wichita, chairman of the finance committee of the National association and a member of the executive committee, featured the program the first day. He had been the headliner at the Wyoming agents' convention, and was obliged to make the long jump across the Rockies into the Pacific Northwest using relays of automobile and rail transportation. He motored some 100

odd miles from Casper to Rawlins at which point he missed his westbound train to Portland and did not make connections again until late that afternoon.

Two important resolutions were adopted. One urged Commissioner Sullivan to modify his recent ruling adopting the convention definition and interpretation of marine underwriting powers and to restore the personal property floater form in Washington. It was expected that Commissioner Sullivan would comply with the request as he indicated that the comprehensive form would be allowed by his department. A second resolution urged Governor Martin to order the state highway patrol from the lumber strike areas back onto the highways as a measure to curb mounting traffic accidents.

Strike State Fire Fund Bill

The executive committee in its special meeting took a significant step in forestalling the reappearance in the 1937 legislature of the state fire fund bill which would set up a self-insurance plan for all publicly owned property in the state. The bill passed the 1934 legislature but was vetoed by Governor Martin. The Grange then attempted to initiate the law but failed to secure the required number of signatures. It was again introduced at the 1935 session but died in committee. One of the most forceful arguments used by its proponents is that it would ease the financial burden imposed on the smaller school districts due to high rates in the rural areas. Dr. D. N. Showalter, state superintendent of public instruction, had indicated his willingness to secure the cooperation and assistance of the agents' league in conducting a special survey of school properties throughout the state. The executive committee approved the plan for appointing a committee of five to work with the department of public instruction and the Washington Surveying & Rating Bureau in surveying all school properties for the purpose of recommending improvements in the risks and in effecting a downward adjustment in rates wherever possible.

Report of the Administration

The dinner meeting of the executive committee opened the convention. At the first session Frank N. Bellinger of Bellingham, general chairman, called the meeting to order. G. W. Gannon, president of the Bellingham chamber of commerce, delivered the address of welcome. Introduction of W. L. Berry, morning session leader, followed.

The report of the administration was given by Executive Secretary Irwin Mesher. The agency business in the state, the report said, survived two serious threats during the fiscal year. Membership showed a healthy increase to pass the 300 mark. The permanent office of the league is now firmly established and the organization's official monthly magazine, Washington "Agency Bulletin," is winding up its second year successfully. Regional meetings at points in western Washington has been largely responsible for increases in membership.

Opposed Rate Regulation Measure

Principal opposition, according to the report, developed against the new rate regulatory measure which was introduced by Commissioner Sullivan and which was sponsored by the General of Seattle and the Northwestern Mutual Fire. The report said that the league's administration "saw no alternative but to voice its vigorous opposition to the law as being inimical to the best interests of the insuring public." A compromise was finally reached and the law passed with certain amendments. It was pointed out that the law would have placed the General and Northwestern Mutual in a preferred position as it would have prohibited a rating bureau from reducing rates to such a low point as to prevent payment of dividends to policyholders. With the board companies meeting deviations of 30 percent off bureau rates and the General and Northwestern Mutual pay-

Semi-Annual Figures Reported

(From Georgia Insurance Department Records)

	Capital	Assets	Surplus	Income	Disburs.
Agricultural	3,000,000	12,387,489	3,306,229	2,877,307	2,650,530
American Auto Fire.....	300,000	2,066,797	726,149	861,974	564,278
American & Foreign.....	1,500,000	5,776,919	2,919,828	791,917	885,281
Automobile, Conn.	5,000,000	19,368,420	5,350,683	4,727,389	4,301,906
Buffalo	1,000,000	6,960,722	2,363,150	1,124,183	919,550
Commonwealth	1,000,000	6,572,778	3,193,106	1,293,457	1,230,716
Empire State	1,000,000	3,011,363	1,389,127	345,794	228,392
Federal Union	1,000,000	2,771,011	1,034,935	377,949	314,475
Fidelity & Guaranty.....	1,000,000	5,374,393	1,385,025	1,840,536	1,576,212
Homeland	1,000,000	2,956,543	1,329,965	396,029	275,475
Liver & London & Globe	400,000	18,844,020	7,897,208	5,774,823	5,836,410
Merchants, R. I.	1,000,000	2,837,848	657,846	573,865	562,372
Mercury	1,000,000	5,096,181	2,240,121	1,022,950	801,194
North British & Merc....	400,000	15,465,962	6,962,144	3,980,890	3,571,417
Pennsylvania	1,000,000	15,359,741	7,870,397	2,785,007	2,734,577
Phoenix, Conn.	6,000,000	39,058,087	23,029,274	5,149,851	4,707,989
Queen	5,000,000	21,392,191	7,674,731	4,029,085	4,449,638
Rhode Island	1,000,000	3,356,637	597,454	837,882	828,576
Royal	400,000	22,235,113	11,011,693	5,873,436	5,463,190
St. Paul F. & M.	4,000,000	35,507,985	18,266,189	7,715,267	7,008,137
Sentinel	1,000,000	2,324,941	923,463	215,455	185,507
Standard, Conn.	1,000,000	4,697,191	1,669,032	906,233	782,160
Star	1,000,000	5,051,043	2,004,188	1,006,890	966,758
Berkshire Mutual		777,365	210,668	321,608	302,704
Carolina Mutual		518,423	421,197	77,541	66,533
Lmbrens Und. All., Mo.		2,026,901	1,005,370	1,007,497	1,059,683

ing a 20 percent dividend from the deviated rates, it is likely that the two companies will not long continue to pay dividends, the report said.

The League was cautioned to guard carefully any attempt on the part of non-standard companies to gain control over the fire rate bureau which at present is operating independently.

President Sturm's Address

President James A. Miller appointed the committees. John C. Sturm of Portland, president of the Oregon State Agents Association, talked on "The Benefits of Compulsory Motor Vehicle Inspection." He told of the success experienced in Oregon in checking the equipment of motor vehicles regularly. A large number of automobiles, he pointed out, which outwardly appear to be in good mechanical condition are shown to be defective in many respects when close inspection is made. He told of experience in other parts of the country and cited pertinent statistics to show the benefits of such inspection. "Could One's Business Be a Hobby?" was an interesting paper given by John L. Noble of Vancouver, manager, fire branch, British Columbia Insurance Underwriters Association. G. Keith Hutchings, Seattle, field supervisor for the Great American Indemnity, explained the purposes of the newly-formed Casualty Insurance Association of Washington, an organization of the bureau companies.

White Introduces Priest

George E. Harris, president of the Pierce County Insurance Agents Association, was the afternoon session leader. C. B. White of Seattle, national councillor, introduced Frank T. Priest, who brought greetings from the National association.

Mr. Priest predicted that the fire loss trend will start upward soon. When the losses start upward, he said, agents should be representing the best companies possible so as to make certain that assureds receive fair and prompt loss settlements. He said the American agency system is not on trial. The individual agent may be. He told of various sales methods used in his own agency. Surveys almost always result in new business for the conscientious agent, he observed.

Other Speakers Heard

Commissioner Sullivan talked on "The Insurance Agent as a Public Benefactor." Much interest was manifested in the two sound motion picture films shown by the Aetna Life companies. They were "The Bad Master," a fire film, and "Saving Seconds," an accident prevention picture. B. K. Campbell, Seattle, manager for the National Bureau of Casualty & Surety Underwriters, submitted a plan for the "Organization of Traffic and Safety Councils Throughout the State." The executive committee approved the plan and appointed a committee to place it in operation. Rush S. Drake, Seattle, manager of the automobile department of the United Pacific Casualty, led the discussion on the topic of accident prevention. In a compelling address he drove home the seriousness of the mounting accident frequency on the highway and told of his experience in sponsoring safety work in his community.

La Bow Presided at Banquet

Louis LaBow, president of the King County Insurance Association, presided as toastmaster at the banquet. Frank T. Priest spoke briefly and was presented with a gift from the Washington agents. Joy Lichtenstein, San Francisco, president of the Pacific Board, was one of the featured speakers.

Clarence W. Lord, San Francisco, engineering department America Fore, delivered an instructive talk on "Insurance Coverage, Cost and Service." He reviewed the development and growth of fire insurance rating. He urged agents to make a study of their rating schedule and to become acquainted with the various forms of coverage so as to enable them to develop business and

meet the competition of the incompetent agent. The various service departments maintained by the companies at great expense can be of invaluable assistance to the agents who take advantage of them.

John C. Sturm, president of the Oregon State Agents Association, in addressing the Washington agents meeting, recited what he contends are the benefits of compulsory motor vehicle inspection. He cited the estimate of the National Bureau of Casualty & Surety Underwriters that three out of four cars are defective in some essential safety factor. Defective cars are blamed for being responsible for about 15 percent of all accidents and this 15 percent, Mr. Sturm contends, is entirely unnecessary. The number of accidents caused by defective equipment may be much larger than 15 percent because owners are loath to admit that their cars were in poor condition.

In the past few years, he said, 12 states have conducted 42 separate inspection campaigns. Eight states have made such inspections mandatory by statute.

Defective brakes are found in about 40 percent of all cars, while 70 percent could not pass headlight tests.

Usually the total cost of inspecting cars is more than covered by the inspection fee. The Oregon legislature at

its last session, he said, passed a bill empowering any city of 100,000 or more population to pass a compulsory motor vehicle inspection ordinance and the city commissioners in Portland are now having such an ordinance drafted.

Installment Ruling May Be Modified in Minnesota

There may be some modification of the ruling recently issued by Commissioner Frank Yetka of Minnesota, prohibiting companies from issuing three or five year term policies, and collecting the premiums in installments over a period of years, in this way giving assured the benefit of the term rate with premiums payable annually.

Speaking at the annual convention of the Minnesota Association of Insurance Agents at Hibbing, Mr. Yetka said several mutuals and two stock companies have complained that the ruling would force them to discontinue writing policies they have been issuing for years, and which they feel sure Mr. Yetka did not intend to rule out.

One company sells a policy upon which 50 percent of the premium is collected when the policy is issued and the balance in installments. Another company has a contract calling for 25

percent of the premium when issued and the balance in yearly payments. A mutual gives a discount of 28 percent for cash and 23 percent if premiums are paid in installments. These are established policies and practices, rates have been filed for them, and Mr. Yetka said that it was not the intention to disturb them when his recently issued ruling was made.

Representatives of all companies that are affected by the recent order of the Minnesota department covering term policies with premiums payable in annual installments will meet in St. Paul this week to see what can be done.

Will Address Canadian Officials

Insurance Commissioner W. A. Sullivan of Washington, president of the National Convention of Insurance Commissioners, has definitely accepted the invitation of the Association of Superintendents of Insurance of the Provinces of Canada to be present at its annual meeting at Winnipeg, Sept. 3-5. He will address the conference on "The Responsibility and Importance of Insurance Supervision."

Mrs. Mable Underwood, for many years with the J. N. Bailey & Son Agency, Hutchinson, died from automobile injuries at her home in Pittsburg, Kans.

YOUR BEST PROSPECTS ... Are Your Present Customers

TIS AN OLD ADAGE, it's true. But we take nothing for granted, and have been testing it out for a year, with the result that our Agents report it does not pay them to solicit new prospects until they have exhausted the possibilities of their old clients.

Of course, this determining *which* of your customers need *what* is not a simple matter if you have not perfected a system. We, with the help of our Agents, have devised an easy, yet effective form, which we call the Client Analysis Sheet. Have *you* tried it? It is offered gratis to all of our Agents—and prospective Agents.

BY THE FIRE COMPANIES
OF THE AMERICAN GROUP



THE AMERICAN OF NEWARK
THE COLUMBIA FIRE OF DAYTON
DIXIE FIRE OF GREENSBORO

EDITORIAL COMMENT

Is There a Conflagration Hazard?

We have reached the point where a conflagration seems a remote possibility so far as fire loss is concerned. The "conflagration" hazard has shifted to hail and wind. Perhaps we were too optimistic because Western Manager S. H. QUACKENBUSH of the WESTCHESTER FIRE in his talk before the local agents in Minnesota called attention to the fact that during the early part of the present century there were conflagrations of great magnitude and there were a number of less scope during the same time. Fire departments have become so efficient and the water supply so adequate that with fire apparatus motorized and able to get at the scene early, the conflagration hazard was greatly minimized. In view of this fact Mr. QUACKENBUSH declared that a number of companies that have been rather limited in their territory have extended their operations to remote points,

assuming large liability in some of the cities. He predicts that they are inviting disaster because they have not adequate funds at their command to meet a real emergency.

The possibility of a conflagration undoubtedly exists. During the depression, municipalities cut down on their fire fighting costs, reducing personnel, allowing equipment to deteriorate. For instance many points have bought fire hose of a less desirable quality than they did years ago. Perhaps we have not reaped the whirlwind yet from our sowing to the wind. We probably have not felt the result of this weakening in fire fighting facilities and equipment. Some companies with too small resources are undoubtedly plunging entirely too much on account of the present moderate loss ratio. It is a gamble to underwrite on the current loss ratio.

That Spirit of Smugness

A DIFFICULTY in meeting on a common platform where there are various interests at stake is the assumption of all parties that each class possesses all the virtues and the others have most of the frailties. KENNETH H. BAIR of Greensburg, Pa., chairman executive committee NATIONAL ASSOCIATION OF INSURANCE AGENTS, in his Minnesota address stated: "If we turn the searchlight on ourselves, and here I speak generally of the traits of agents represented in the Minnesota and National associations, I think we may find it necessary to draw a tight rein on a tendency toward a degree of smugness. We are so thoroughly convinced in our own minds that the American agency system is the proper distributing agent for insurance and that our associations are serving well the entire insurance business, that we may at times grow too complacent. Let us avoid such tendency. If in our confidence we should come to believe that all virtue is housed in us and all frailty elsewhere, that we are the people

and wisdom shall die with us, then indeed is our fate sealed."

If all hands assumed that spirit set forth by Mr. BAIR there would be much more ease in reaching a common conclusion and building a common platform. That "smugness" to which Mr. BAIR refers is found in the leaders of controversies over insurance issues. The agents are too inclined to blame the companies for all the evils and the companies likewise censure the agents. The general agents condemn the branch offices as being ghouls and the branch managers point to the general agents as having an undue advantage.

As Mr. BAIR pointed out in his address, there is always value in taking an inventory of oneself and his position, one's group and its characteristics. When we are bold enough to acknowledge our own frailties and weaknesses and give credit to the strong and desirable points on the other side, then the way is opened for compromise and conciliation.

Drawing the Line As to Prospects

IN addressing various meetings of insurance agents in the far west, FRANK T. PRIEST of WICHITA, prominent insurance agent, expressed the opinion that agents every day are losing business because they fail to ask for it. The agent, he contended, should become habituated to asking for business.

There is a good deal more than the commonplace to Mr. PRIEST's observation. Some agents, as a matter of policy, draw the line between those whom they will ask for business and those whom they will not. Some agents refrain from soliciting personal, family

friends. "They know what business I'm in and if they want to do business with me, they will broach the matter," is a familiar theory. Other agents may draw the line against soliciting insurance of the lodge to which they belong, or members of the fraternity or lodge. Others feel it is not refined to go after insurance on their church, etc.

A safe assertion is that most insurance producers in all branches of the business, who are at the top, don't draw many lines when it comes to prospects. They are not concerned about any theoretical niceties. That does not mean

that they are crudely exploiting religious, fraternal or social connections. The insurance agent does business with the public, rather than with a particular trade and anyone who has anything to insure is a prospect. There is no reason why an agent should not use every advantage he enjoys. What he has to sell is legitimate and for the most part indispensable. There is no reason why he should stand back and lose the business of those with whom he has some special connection.

The agents who refrain from taking advantage of natural contacts probably are deterred by the somewhat general reputation of an insurance agent as a man who joins clubs, goes to parties and even goes to church for business

purposes. Some agents, conscious of that reputation, lean backwards to avoid being considered in the same light.

Of course, there are a good many agents who become social outcasts, because it is obvious that they rarely make a whole souled move. They do undertake to join clubs and participate in social activities with the sole idea of capitalizing on the contact. Much depends upon the motive and the spirit. The men who refrain from taking advantage of their natural contacts are probably, by and large, the ones who could most gracefully do so.

It is something of a test of bigness to ask friends for business and keep their friendship, to handle a club's insurance and be a good member.

More Power in Newer Bodies

It is pleasing to see the strength displayed by some of the newer state associations of local agents in the Pacific Coast and mountain field. California has one of the most potent and influential organizations in the entire country. It has always been in the very forefront of the agency procession. In later years Washington has become very militant. It has its own executive sec-

retary, has been very active in organizing local boards and today is a factor in its far flung empire. Oregon has forged toward the front later. However, state associations like Montana, Idaho, Utah, Wyoming and New Mexico have achieved more momentum within the last few years. There is a splendid field for these organizations in their part of the country.

PERSONAL SIDE OF BUSINESS

G. B. Jennings, Virginia state agent Royal, has another grandson, born last week to Mr. and Mrs. H. H. McVey, Jr., of Richmond. His first grandson was born several years ago to Mr. and Mrs. Marion Fitzgerald of Richmond.

J. E. Hull, veteran local agent of Ottumwa, Ia., is on the sick list and was unable to attend the convention of the Iowa Association of Insurance Agents in Marshalltown last week. Secretary John S. Cutter of the association was instructed to send a letter of greetings and good wishes.

Mr. and Mrs. Daniel Joseph O'Donovan of Chicago issued invitations to the marriage of their daughter, Blanche, to Thomas William Earls of Cincinnati at St. Ita's Church in Chicago Sept. 14 at 10:30 o'clock. Mr. Earls is a son of the well known William A. Earls, Cincinnati local agent, and he is identified with his father's agency. He is one of the eminent grandsons of Thomas E. Gallagher of Chicago, retired Aetna Fire western manager.

J. W. Russell, vice-president of the Aetna Fire in charge of its New York office, is making a good recovery from a gall bladder operation performed at the New Haven hospital in New Haven, Conn. He expects to be able to return to his office about the middle of October.

Charles T. Monk, president of the Philadelphia Insurance Agents Association, has returned from a vacation trip to England with Mrs. Monk. One of the things that impressed Mr. Monk during his trip was the number of insurance offices in London. He remarked

that everywhere one went he saw offices, all of them looking so imposing that they looked like home offices rather than branches. He remarked that English companies have a strong hold on the insurance business in England and that it is virtually impossible for American or Canadian companies to get more than a bare fraction. He also found the British general coverage policy interesting. He told of visiting one office where he was shown a policy pages and pages thick that covered "everything from soup to nuts"—life insurance, workmen's compensation, fire, automobile, burglary, etc.

William F. Beers of the Beers, Kenison & Co. general agency of Galveston died in that city after a short illness. The general agency consisted of Mr. Beers and Clinton G. Wells. The business will be continued by Mr. Wells under the old name.

Earl B. Vickery, secretary of the America Fore group in charge of the Cook county department in Chicago, has returned from a vacation trip in England, during which he engaged in his favorite pursuit of grouse hunting.

John D. Carpenter, who retired some years ago after having represented the Queen in the Iowa and Nebraska field more than 25 years, died in Des Moines of a heart attack. He was 71 years of age.

Mr. Carpenter was born at Drakeville, Ia., and started in the insurance business with the State of Des Moines in 1884. Five years later he assisted in organizing and then became assistant secretary of the Merchants & Bankers



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Mutual of Des Moines. In 1893 he returned to the State of Des Moines as special agent and adjuster and in 1897 became connected with the Western Underwriters of Chicago traveling in South Dakota, Minnesota, Iowa, Missouri and Nebraska. He joined the Queen in 1901.

Freeman Hall, 53, Dallas, Tex., local agent, died at his home. He had been in the insurance business for 30 years.

T. J. Meenach, Spokane, Wash., local agent and secretary of the Spokane Insurance Association, who has been ill for several months, is now able to be back and in touch with his work once more.

Henry Stein, San Francisco veteran field man, is dead. For six months he had been special agent for the fire department of Wentz & Erlin in Southern California. Prior to that he had been in the Pacific Northwest for many years with the late Carl A. Henry organization and later with Swett & Crawford. Mr. Stein collapsed just as he was preparing to retire in the evening after having enjoyed a short automobile ride with his family. Mr. Stein had been ailing for the past month from food poisoning, and was 52 years of age.

G. W. Carter, president of the Detroit Insurance Agency and national figure in agency association work, has gone to Del Monte, Cal., to join Mrs. Carter and their daughter, Constance. They will visit Los Angeles and the Pacific Exposition at San Diego before returning to Detroit.

Henry Zweig of the Zweig, Smith & Co., agency of New York, and **Robert Wilmerding**, automobile adjuster attached to the New York City office of the National of Hartford, are vacationing together at the Edgewater Beach Hotel in Chicago. Mr. Zweig is a brother of Benjamin Zweig of the Waidner, Power, Zweig & Lasch agency of Chicago.

Frank T. Priest of Wichita, member of the National Association of Insurance Agents' executive committee, who has been touring the west addressing coast and mountain agents' meetings, got stranded for 15 hours at Rawlins, Wyo., following his appearance at the Wyoming meeting at Casper. He hired a taxicab to drive him 125 miles from Casper where he had made his address. He missed the midnight train and did not make connections with the "Portland Rose" until 4:20 o'clock the following afternoon. He arrived finally at Bellingham where the Washington agents were assembled and stated that his unhappy experience was the result of a combination of "a dumb station

master, a dumb porter and a dumb Priest." To make sure that he would arrive in Boise in time for the Idaho agents' convention, Mr. Priest left Bellingham Saturday afternoon, motoring with John A. Carlson of San Francisco, assistant manager America Fore, who is chairman of the Idaho advisory committee. George McGaffigan, special agent of the America Fore at Spokane, accompanied them.

Mr. Priest won a golf zipper bag at Bellingham, rounding out a snappy 85 in the annual golf tournament to rate him a net 70. He also was given a beautiful oil painting of Mt. Baker appropriately inscribed, which the Washington agents presented to him at the annual banquet.

At the funeral service of **Fred D. Silber**, general counsel of the Western Insurance Bureau in Chicago Monday, the organization was represented by President H. A. Clark, Firemen's; H. M. Giles, president Millers National, treasurer of the Bureau; W. E. Wollaege, president Concordia, director; F. C. Schad, secretary. Rabbi Gerson Levy conducted the service. There were a number of insurance men and attorneys interested in insurance practice at the funeral.

Death came suddenly to **Russell A. Dewey** while he was seated in the office of his general insurance agency in Fredonia, N. Y., last week-end. He had engaged in that business in Fredonia for many years. He was talking to his son, Howard Dewey, his associate in the business, when he collapsed and died almost immediately.

Oscar C. Gleiser, western general agent at the head office of the Commercial Union, is passing his vacation in Chicago, which is his old home.

Walter Talbot of Colfax, Wash., a local agent in Washington for many years and active in Republican party affairs, was elected state commander of the American Legion at the annual meeting in Tacoma. The meeting was addressed by Frank N. Belgrano of San Francisco, national commander of the legion and president of the Pacific National Fire.

Charles F. Howell, editor of the "Weekly Underwriter" of New York, who was appointed secretary of the class of '91 of Princeton University of which he is a distinguished member, declined the honor on account of the heavy demands of business on him. There are 125 living members of the class. Mr. Howell attends the alumni meetings every year religiously. He is one of the outstanding marine insurance news gatherers of the country.

Finds Grief in Cigarette Loss Policy

C. G. Blakely, Jr., of Topeka writes as follows, prompted by a recent article on the cigarette loss problem:

"I am not much given to writing letters to the editor. However, I could not overlook the statements concerning 'Cigarette Loss Decision Not to Affect Methods,' in your Aug. 8 issue. In the second paragraph you say, 'This policy was successful from the start, and was made effective, without incurring the hostility of agents or policyholders.' I take exception to this statement.

"It is true, that when the companies announced their intention of paying no more cigarette burns, or scorch claims, as they prefer to call them, the agents took it, just the same as they take everything else, which the companies hand them, in the way of forms, rates, etc. It has been my experience, however, that the policyholders do not take it in the same way. For years they have been used to collecting on this type of claim, and in almost every instance when we have been forced to deny liability, since the companies' ruling, we

have lost the customer at the expiration of the policy. This naturally has caused dissatisfaction among the agents, particularly when we discovered that an assured who was pretty tough about collecting his loss, always managed to get it. In two cases, which I know of, the assured threatened to go to court, and the company immediately paid the loss. The idea of paying losses to one customer, and denying losses to another one, who happens to be a little weak-kneed about the matter is repugnant to any agent.

"We now have one company in the office, which holds that on any claim, that can be shown that there was an actual damage, and repairs were necessary, that the loss is to be paid. This naturally confuses the matter for all companies.

"In my opinion, if the companies want to refuse to pay these losses, the policy should be so endorsed to exclude them definitely. Until this is done, we will have nothing but grief, at least in this territory."

EFFECTIVE ARGUMENTS ARE USED

"News from Home," the house organ of the Home of New York, gives eight arguments that State Agent O. J. Davis of Iowa used in retaining \$40,000 insurance for his local agents at Waterloo, Ia., on Christ Episcopal Church in competition with the Church Properties Fire. The arguments were:

1. Not licensed in Iowa.
2. Does not pay taxes in Iowa.
3. No local supervision of rates and

expense of which is borne by stock companies. \$235,719.

4. Has not had comparatively long experience in high loss ratio classification.

5. Reinsurance in foreign companies.

6. Not licensed in Iowa, therefore claims must be made through correspondence, and litigation brought in New York.

7. Difference in rates not known, but believed to be negligible.

8. Deprive local agents of commission.



The Spirit of Friendship

Friends, a wise Frenchman once said, are the relations one makes for one's self. How essential it is that your companies be not those carping, quibbling, nagging relations, but your friends!

These companies count their friends in thousands. Every day, all day, we talk with friends, write to friends, hear from friends. We try to mark our every contact with cordiality, understanding, courtesy and thoughtfulness. From stockboy to Manager, from map clerk to department head one motive leads us: the spirit of friendship toward policyholder, producer and competitor alike.

The
LONDON ASSURANCE

The
MANHATTAN
Fire and Marine Insurance Company

The
UNION FIRE
Accident and General Insurance Company

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NEW YORK

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Reault Advanced in Michigan

Actuary of Department Made Second Deputy—State's Merit Plan Is Maintained

LANSING, MICH., Aug. 28.—Joseph E. Reault, actuary and chief examiner of the Michigan department for several years and an employee of the department since May 1, 1920, has been named as the new second deputy commissioner by Commissioner John C. Ketcham. Mr. Reault succeeds Ralph M. Wade, who resigned some time ago to go with the Michigan Mutual Liability of Detroit as comptroller.

Advancement of Mr. Reault to the deputy's post is likely to be received with satisfaction by all elements of the business since he has had broad experience and is thoroughly familiar with the technical aspects of insurance, a requisite for this particular position in the department. There was strong opposition in company and agents' quarters to any strictly political appointment and Commissioner Ketcham wisely decided to conform with previous departmental practice in rewarding efficient service by advancement. The Michigan department has won a nation-wide reputation for non-political administration. The previous Democratic commissioner, Charles E. Gauss, refused to disturb the department personnel in response to pressure in behalf of the "spoils system."

Mr. Reault has been an active member of the committee on blanks of the National Convention of Insurance Commissioners. He has also qualified by examination for membership in the Fraternal Actuarial Association.

Plan for Illinois Gathering

Local Agents of the State Will Have Their Annual Convention at Peoria, Oct. 23

The annual meeting of the Illinois Association of Insurance Agents will be held at the Pere Marquette Hotel in Peoria, Oct. 23. The officers and directors met in Chicago last week, there being 13 present. Kenneth H. Bair, Greensburg, Pa., chairman executive committee National Association of Insurance Agents, was in Chicago for the day en route to the Minnesota meeting and attended part of the session.

The board unanimously reaffirmed its endorsement of the Lloyds section of the insurance code contained in the house bill passed at the last session of the legislature, and voiced its opposition to the substitute amendment thereto offered in the senate in the same session.

There were present President Alvin S. Keys, Springfield; Vice-president F. J. Budelier; Chairman of the Board Rockwood Hosmer of Chicago; Third Vice-president W. H. Stewart of Chicago; Secretary S. E. Moisant of Kankakee, and the following directors: Horace R. Checkley, Mattoon; Robert W. Troxell, Springfield; Lyle H. Gift, Peoria; Mark I. Hall, Belvidere; P. B. Hosmer, Chicago; Wm. H. Jennings, Jr., Rockford; C. J. Montgomery, Rock Island, and C. C. Nicholson, Decatur.

Kansas Losses Lower

WICHITA, KAN., Aug. 28.—Kansas fire losses for the first seven months were reduced \$1,000,000, totaling \$1,383,345 compared to \$2,323,903 in 1934, a reduction of nearly 45 percent. Farm losses have shown substantial reductions.

Will Contest Nebraska Law

Fire Companies Charge Act Taxing Them for Firemen's Pension Fund Is Unconstitutional

Fire companies will not pay the new fire department pension tax passed by the Nebraska legislature amounting to 2 percent of the net premiums on business written within the corporate limits of a city or village. The new act went into effect Aug. 25. Under the provisions the tax must all be paid in August. It would be physically impossible to do this and then companies have been successful in attacking firemen's pension issues of this kind on the basis of the constitutionality of the acts and have won. There are a number of precedents to knock this out. In all likelihood a test case will be filed in the near future. In the meantime companies are not taking any action to figure up the amount of the tax. These measures differ from the fire department tax which is levied here and there but where the proceeds are used for pensions or relief they have been universally defeated in the courts.

NATIONAL BOARD TO ACT

LINCOLN, NEB., Aug. 28.—Nebraska stock and mutual fire insurance companies have been assured by E. M. Griggs, Chicago, assistant general counsel of the National Board, that the organization will soon file a suit in the supreme court to enjoin the state department of insurance from collecting the 2 percent tax on gross premiums on all fire policies sold in incorporated cities in the state. The law will be attacked on the grounds that it is class legislation and discriminatory and that it delegates power to spend tax money without government supervision.

Plans for Michigan Muster

President Grow Will Not Have Very Many Set Talks at the Petoskey Meeting

DETROIT, Aug. 28.—J. A. Grow of Goyer, Warren & Co. in this city, president Michigan Association of Insurance Agents, is now arranging the program for the annual meeting to be held at the Perry hotel, Petoskey, Sept. 30-Oct. 1. The meeting will be conducted on the open forum plan with a minimum of set speeches. A get together dinner the first night will be presided over by J. V. Barry, former Michigan insurance commissioner, and now vice-president of the Life Extension Institute of New York. W. G. McCune, past president and member of the governing committee of the Michigan association, lives at Petoskey and the meeting there is being held largely in compliment to him. The annual meeting was held in Petoskey in 1912.

Proposes Statewide Setup of Illinois Legislative Councils

J. T. Meek, secretary of the insurance division of the Illinois chamber of commerce, in a communication to members, suggests that insurance advisory councils, such as the one that functioned in Chicago during the past legislative session be set up in every major city of Illinois and in the smaller ones on a limited scale. A suggested procedure will be sent to member chambers of

commerce urging such organizations to study proposed legislation and to act immediately in behalf of or against bills. These councils should consist of leaders representing the various lines of insurance and two or more local business men.

These groups will be supplied with a regular docket of bills pertaining to insurance. An attempt will be made to have such organizations formed prior to the proposed special session of the Illinois legislature in September.

Mr. Meek states the insurance division is convinced the industry must provide proper compensation legislation to present to the legislature. This legislation and particularly bills concerning occupational disease, will recur at Springfield and the effort should not be merely to defeat bad legislation but to put across constructive measures.

He states plans are now being made for the second annual insurance luncheon to be held in conjunction with the annual meeting of the Illinois Chamber of Commerce. The insurance code will again be the subject of major importance.

Flat Cancellation in Iowa

Discussion at the convention of the Iowa Association of Insurance Agents brought out the fact that the fire companies have consented to flat cancellation of the insurance on the state liquor stores. This insurance was placed and ran for ten months. Then the legislature refused to vote an appropriation on the ground there is no provision in Iowa for insuring state property. The fire companies agreed to cancel flat on the understanding if the premium should somehow be made available in the future, they would get the premiums less commission. The Iowa agents take it for granted the casualty companies will make the same arrangement.

Y. M. C. A. Staging Course

Starting Sept. 3, and continuing until Oct. 26, a fire prevention program will be staged by the Norwood, Ohio, Y. M. C. A. The course is being put on in such a manner that between 500 and 600 boys will be contacted. A combined meeting of all the boys who have taken the course will be held in the local high school auditorium the closing day. The program arranged for the course will deal with the general and most apparent aspects of fire prevention. R. W. Hukill, special agent, Fireman's Fund in southwestern Ohio, is aiding in the activity.

Wichita Insurers to Elect

The annual election of the Wichita Insurers will be held Aug. 29. Charles K. Foote, past president, is chairman of the nominating committee composed also of Lee Webb and L. B. Brown and their report is generally adopted. Paul C. Yankee is the retiring president and John H. Burns, Jr., vice-president.

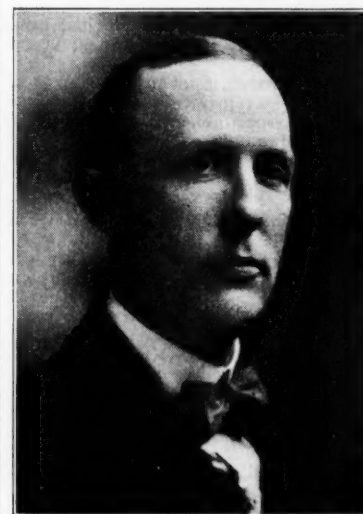
State Fund Threat Renewed

MADISON, WIS., Aug. 28.—Threats of switching school insurance, now carried with private companies through their local agents, to the state fund, were made at a meeting of the board of education.

The insurance report informed the board that 3.5 cents reduction has been made on each \$100 of insurance for the \$2,281,296 in school insurance to be renewed in September and in the next two years, policies being written on a three-year basis. Installation of an adequate number of fire extinguishers, the report stated, would result in even greater saving. Marcus Johnson, supervisor of buildings and grounds, told the board that all buildings are equipped with adequate fire extinguishers.

For some months there has been a

Again Councillor



SAM T. MORRISON

Sam T. Morrison of Iowa City again has been designated national councillor of the Iowa Association of Insurance Agents. Sam Morrison and the Iowa association are practically synonymous.

movement here for the city to establish a self-insurance fund to cover all municipal buildings and property. The board of education, however, renewed \$344,000 of school insurance and the board of vocational education \$300,000 with local agents. Local agents through the Madison Board have put up a strong fight against the self-insurance idea.

Ohio Chiefs Want Changes

COLUMBUS, OHIO, Aug. 28.—Changes in the state fire marshal department have been recommended in a resolution of the Ohio Fire Chiefs' Association. It was pointed out that much of the money obtained from insurance companies for support of the department is turned back into the general fund, instead of being used to bring about lower fire losses. Other existing practices, such as using deputy fire marshals for inspection of restaurants and other business locations for other than fire hazards, were scored. The convention also went on record for immediate action to correct fire hazards in state and other public buildings disclosed by a survey by the Ohio Inspection Bureau.

Plans for Kansas Meeting

At the annual meeting of the Kansas Association of Insurance Agents at Topeka on the second day Oct. 18, at a breakfast conference led by Rosse Case of Salina, Kan., there will be a meeting of farm agents to talk over the farm problems and to compare the new farm policy of stock companies with that of the mutuals. The same morning Frank T. Priest of Wichita will lead a breakfast conference.

On the morning of the first day, Insurance Commissioner C. F. Hobbs occupied an important place on the program.

September to Be Picnic Month

September promises to be an active month for Illinois field men, at least insofar as picnics and outings are concerned. On Sept. 5 the Kewanee local agents are staging a party. On Sept. 11 there is to be a field day at Springfield and then on Sept. 18 the Rock

Island board is sponsoring an outing.

A committee of field men is arranging a dinner near Belleville on Sept. 10 to commemorate the 25th anniversary of the agency conducted by Clara Menninger Fries of Belleville. The committee in charge consists of E. F. McAdow, Great American; John Bauer, Royal Exchange, and Stuart Smith.

Opens Office at McCook, Neb.

The John D. Garmire independent adjusting office of Omaha announces the opening of a branch office at McCook, Neb., with John G. Morris as resident manager. Mr. Morris is a native of McCook and for the past 12 years has been connected with the Bullard Lumber Company in making estimates on buildings and repairs.

Extend Hail Claim Period

Hail claims are allowed in North Dakota for wheat fields damaged after Aug. 10 providing the evidence is clear that they have not been abandoned, according to Harold Hopton, state insurance commissioner.

Mr. Hopton recently was quoted as ruling all wheat fields would be considered abandoned if they had not been harvested by Aug. 10 in so far as hail insurance protection is concerned.

Middle Western Notes

B. J. Cattey, an attorney and insurance agent at Crestline, O., has taken his son, F. B. Cattey into partnership.

Roy H. Kerns has sold his interest in the Pearce & Kerns agency at Bellfontaine, O., to his partner, Chester Pearce.

Claud Warley has been appointed manager of the life department of the Carter-Jenkins Agency at Akron. The agency represents the Ohio State Life.

J. R. Denn, who has been operating the Johnston-Maguire Agency for some time at New Carlisle, O., is now running the business in his own name.

William Knowles, 53, widely known Milwaukee agent, for 30 years with Greene Bros. & Hansen, died at his home following a cerebral hemorrhage.

John M. Paull of John M. Paull & Son, insurance agency at Conneaut, O., has been appointed postmaster. His interest in the agency has been taken over by his daughter, Margaret E. Paull, who will operate it with her brother, W. W. Paull.

not trained and seriously undermanned. The fire alarm system is generally adequate; features of unreliability are introduced by unsatisfactory maintenance.

In the congested value districts the buildings are mainly low and a moderate number have sprinkler protection but construction is of a readily burnable character, compactly built and many areas are large or excessive. These conditions, combined with narrow streets, and an undermanned and untrained fire department make a high conflagration hazard for the district as a whole. The cotton district has some good private protection and most fires should be local. Severe fires are probable along the docks where the fire department would be handicapped by the lack of a fire boat. Considerable local hazard is found in the southeastern industrial districts because of inadequate water supply.

Cancels Mutual Insurance

In view of the recent opinion by the attorney-general holding it is illegal for any agency of the state to carry insurance with a company whose premiums are not definitely fixed, the school board of Albermarle county, Va., has canceled all of its insurance in the Albermarle Mutual.

Survey Richmond Coverage

RICHMOND, VA., Aug. 28.—Local agents have agreed to make a survey of the city's insurance needs and its insurance costs. They hope to be able to make a report some time early in October to a committee of the city council which has been considering a plan

for the city to carry its own insurance. The plan calls for the setting up of a reserve fund for the purpose. Already, upward of \$175,000 is in hand. The agents hold out hope that rates may possibly be lowered after the survey is made.

Bank to Finance Cars

The Mercantile National Bank of Dallas has entered the automobile finance field and is accepting insurance policies from all local agencies. It will charge a flat rate of interest of 8 percent for such loans. It will not write insurance, leaving that to the local agents.

San Antonio Exchange Meets

SAN ANTONIO, TEX., Aug. 28.—The San Antonio Insurance Exchange at its last meeting discussed the new automobile casualty manual, the plan of operation of the HOLC Stock Company Association on policies where the purchasers do not pay the premium, and the rulings of the Texas insurance commission which affect the local situation with regard to location of fire hydrants, width of streets, and other matters affecting risks.

Confusion in Names

Through error, it was recently announced that the Pacific National Fire had been admitted into Oklahoma and that Walter Meyer had been appointed special agent. Instead it should have been the Pacific Fire of New York City. The Pacific National Fire has been operating in Oklahoma since June 7, 1934.

IN THE SOUTHERN STATES

Will Train the New Official

Commissioner Johnson of Mississippi Will Induct His Successor in His New Position Later

Insurance Commissioner J. H. Johnson of Mississippi will have John Sharpe Williams, III, of Yazoo City in the office for some little time before the former retires so that Mr. Williams can get an idea of the running of the machinery. Mr. Johnson will retire Jan. 1. Mr. Williams was nominated in the primaries, he receiving 206,435 votes and Col. Shelby Pickett 119,127. Mr. Williams is a nephew of the late United States Senator John Sharpe Williams of Mississippi and was named after him. He has been engaged in the local insurance business for some 20 years in Yazoo City.

He served as president of the Mississippi Association of Insurance Agents, as its executive secretary and now is the national councillor. He comes from a high grade family and is a very high class man.

Mr. Pickett is a member of the state insurance commission. He is a local agent and both he and Mr. Williams are members of the Mississippi Association of Insurance Agents.

Drake at Home Office

R. W. Drake, Oklahoma general agent for the Associated Indemnity and Associated Fire & Marine, is conferring with officials of the companies at the head offices in San Francisco.

Qualifications Bills Are Up

Two Measures in House and Senate But Both May Fail for Lack of Time

BIRMINGHAM, ALA., Aug. 28.—A new and workable agency qualification law for Alabama is sought in a bill sponsored by the Alabama Association of Insurance Agents on which a hearing was held last week before a senate committee. The measure was originally designed to cover all branches of the insurance business, but has been changed to apply only to fire and casualty business. Another measure known as the Chichester bill introduced in the house merely attempts to strengthen the agency qualification law of 1927. Some doubt is expressed that passage of either bill can be obtained before the legislature adjourns.

Efforts of Charles C. Greer, former superintendent of insurance, to enforce the 1927 law met with failure when he was forced under mandamus to issue licenses to a Mobile agent.

Serious Hazards in Mobile

The National Board, in a report on Mobile, Ala., finds the gross fire loss for the past five years was \$938,991, the average loss per fire being \$187, "a low figure," and the average loss per capita \$2.72, "a moderate figure."

The water supply works are found to be adequate and fairly reliable. The quantities available for engine supply are mainly satisfactory. The fire department is well equipped but inefficient,

PACIFIC COAST AND MOUNTAIN

Calls 50 Carriers on Carpet

Commissioner Sullivan of Washington Orders Hearing Aug. 30 in Connection with \$10,000,000 Line

Because of an alleged violation of the Washington insurance deviation laws, approximately 50 companies operating in that state have been notified by Commissioner Sullivan to appear at a special hearing Aug. 30. The line involved and which approximates \$10,000,000 is that of the Crown-Zellerbach Corporation and subsidiary, Olympic Forest Products Company, and, it is understood involves mostly use and occupancy. According to letters received in San Francisco by managers of certain of the "offending companies" from Commissioner Sullivan, if found guilty the companies face revocation of licenses to operate in the state of Washington.

The old policies were canceled about last March to take advantage of the new five year term rule which was then

adopted. The brokerage firm of Cosgrove & Co. of San Francisco and its affiliate, Labow, Haines & Snapp at Seattle, wrote the business after a month of negotiations in the interest of taking advantage of the best rates obtainable under the deviation law.

White and Johnston Named by Oakland, East Bay Groups

OAKLAND, CAL., Aug. 28.—C. E. White of Schroeter & White has been nominated for president of the Oakland Association of Insurance Agents with Neal Harris, Harris & Evey, as first vice-president; C. M. Chandler, second vice-president; S. G. Macbeth, secretary, and E. L. Goodwin, treasurer. Nominations for the executive committee are: F. M. Lane, retiring president; L. V. Graham, I. S. Rankin, W. F. Reichel and R. W. Jones. The annual election will be held Sept. 10.

Following the election of the Oakland association, the East Bay Association of Insurance Agents will meet in the

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evening of the same day, to elect officers. The East Bay association includes Oakland and several adjoining cities. Those nominated for the East Bay association are: C. N. Johnston, San Leandro, president; F. M. Lane, Oakland, first vice-president; C. E. White, Oakland, second vice-president, and Helene H. Christiansen, Berkeley, secretary-treasurer. Executive committee nominations include: F. D. Moller, retiring president, Oakland; F. W. Oatman, Berkeley; H. T. Derry, San Leandro; H. M. Bradley, Alameda, and Paul F. Roemer, Oakland. The names of S. G. Macbeth and S. F. Hammond, Jr., will be nominated for the executive committee, in event the proposed constitutional amendment is approved, increasing the committee from five to seven members.

Oregon Losses Reported

On 1,897 fires suffered in Oregon during the six months period ended June 30, 1935, on which losses amounting to \$1,123,055 were incurred, losses paid by insurance companies amounted to \$942,048 according to fire marshal's office.

Self-Insurance Repelled

LOS ANGELES, Aug. 28.—At a meeting of the board of supervisors of Los Angeles county the setting up of a reserve fund enabling the county to write its own fire insurance was urged by Supervisor H. C. Legg, who protested payment of the second installment of the annual premium of \$60,420 on county fire insurance policies of \$16,112,000. "The county has paid \$605,803 in premiums on fire insurance and has received back on policies only \$53,407," Legg declared. The board of supervisors, however, with only Legg dissenting, voted to continue the practice of buying insurance from companies.

Alderson Heads Bureau

F. E. Alderson, Los Angeles agent, has been appointed manager of the California Insurance Bureau at Los Angeles. He has severed his association with the Alderson agency, representing the Cincinnati Underwriters and the Security National Fire.

Named by Allstate

PORTLAND, ORE., Aug. 28.—The Combs Insurance Agency, consisting of A. B., G. W. and Albert Combs, which has been representing the Hercules Life, have been appointed general agents for the Allstate and the Allstate Fire. All three companies are owned by Sears-Roebuck. The Combs Agency represented the National Life for 30 years.

Women's Group Grows

SAN FRANCISCO, Aug. 28.—It is expected the San Francisco Insurance Women's League will close its second year in October with a membership in excess of 100, according to President Miss Maritza Barkofcy, Great American Indemnity. Harold M. Engle, Pacific Board engineer, spoke at the last meeting. Mrs. Bruce M. Ashton, of the Connecticut General Life, will speak at the September meeting on "History of Life Insurance."

Clark in San Francisco

SAN FRANCISCO, Aug. 28.—Ralph E. Clark, general manager Home of Hawaii, arrived here this week after making an extensive tour throughout the United States. While in San Francisco Mr. Clark was the guest of R. L. Countryman, manager Norwich Union group.

Legion Post Elects

SAN FRANCISCO, Aug. 28.—Al Fryer, sprinkler authority, was elected commander of Insurance Post 404, American Legion, succeeding Roy M. Coon of the Pacific Board at the annual meeting. Earle Wright, broker, was elected first vice-commander; Joseph Connelly, second vice-commander; Edward Zimmerman, finance officer; Frank

Speaks to Agents



WILLIAM A. SULLIVAN

State Insurance Commissioner W. A. Sullivan of Washington, who is president of the National Convention of Insurance Commissioners, was one of the chief speakers before the Washington local agents' meeting at Bellingham. He came out strong for an agency qualification license law.

Barrett, judge advocate; Benjamin Otten, chaplain; Wesley King, historian, and Samuel Johnston, sergeant-at-arms. Executive committeemen are: Mr. Coon, Eric Falconer, W. L. Wallace, vice-president Pacific National Fire, and Charles Landress, London Assurance. B. F. Springsteen, broker, was reappointed adjutant.

Open Office at Los Angeles

Wagner & Glidden, fire adjusters, announce that Milo H. Neidig has been appointed manager in their Los Angeles office with office at 610 South Broadway. Wagner & Glidden have their chief offices in New York and Chicago.

Alaskan Conditions Good

Alaskan business conditions are quite stable and improving substantially, according to H. M. Gould of Gould & Gould, Seattle general agency, who recently made a 4,000 mile trip by air to all of the principal centers of Alaska. His firm writes a large volume of business in Alaska through an established agency plant, with representatives in practically every settlement. Considerable new building is under way, especially in Fairbanks and Nome, said Mr. Gould. The construction is largely fire-resistive, many of these new buildings being of concrete, particularly in Nome, which suffered severe losses from the recent conflagration. Mr. Gould reports that the Alaska business written by his organization has always been profitable until the Nome disaster. He has been a visitor to the Alaska territory for the past 18 years.

Simpson Visits Northwest

H. L. Simpson, associate Pacific Coast manager of the Great American and Phoenix of Hartford groups, is visiting the Pacific Northwest territory. Mr. Simpson will return to California in time to talk before the annual convention of the Pacific Coast Association of Fire Chiefs at Sacramento, Sept. 10.

Safety Service Organized

SPOKANE, WASH., Aug. 28.—Insured Safety Service is being organized here to sell automobile insurance and to carry on commercial safety engineering work. The company is headed by George DeLape, connected with the

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STRINGFELLOW & GARVEY

Donnell Court
St. Joseph, Missouri

Counsel for: Aetna Group; Standard Accident; Zurich; Globe, Royal and Great Am. Ind. Cos.; Lumbermen's Mut.; Liberty Mut.; General Accident; Preferred Accident; Am. Motorists; Farmers Auto. Inter-Ins. Exch.; Indemnity Ins. Co. of N. A.; T. E. Martin & Co.; Ohio Casualty Co.; National Casualty Co.; and more than 50 other companies.

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Insurance Companies Represented
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MISSOURI (Cont.)

LEAHY, SAUNDERS AND WALTHER

1105 National Bank of Commerce Building
St. Louis, Missouri

Adjustment and Trial of Insurance Cases

GREEN, HENRY & REMMERS

Boatmens Bank Building

St. Louis, Missouri

GREENSFELDER & GRAND

705 Olive Street

St. Louis, Missouri

FRANK W. HAYES

Special Assistant Attorney General of Missouri
Katie Building

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Represent Loyalty Group and other Casualty & Fire Ins. Cos. Trial of cases in all Federal and state Courts. Investigations and Adjustments.

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Equipped for investigation, adjustments and trial of all insurance cases in state and federal courts in the south-central parts of Montana.

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Equipped to handle investigations, adjustments, and trial of all insurance cases in state and federal courts in entire Western Montana including Missoula, Powell, Granite, Saunders, Mineral, Ravalli and other counties.

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Equipped for investigations and adjustments of claims in Nebraska and northern Kansas, trial of cases in all state and Federal courts.

GEORGE B. DENT, JR.

Tramp Building
North Platte, Nebraska

Representing Associated Indemnity Corp., Commercial Standard Ins. Co.

Investigations — Adjustments — Trial Work Associate: Harold E. Day, Jr.

Rosewater, Mecham, Shackelford & Stoehr

1028-40 City National Bank Building
Omaha, Nebraska

Investigations — Adjustments — Trial work Nebraska and Western Iowa.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter

NEW JERSEY

ANDREW J. WHINERY
744 Broad Street
Newark, New Jersey

Samuel M. Hollander
COUNSELLOR AT LAW
Lefcourt Newark Building
Newark, N. J.
Investigations—Adjustments and
Trial of all Insurance Cases.

WILLIAM L. RAE
1 Exchange Place
Jersey City, N. J.
Representing Exchange Mutual, Indemnity &
Ins. Co.

NEW YORK

BOND, SCHOENECK & KING
1400 State Tower Building
Syracuse, New York
Counsel for many Insurance Companies
Equipped for Investigations and Adjustments
in Syracuse and surrounding territory.

David F. Lee David Levene Daniel J. McAvoy
LEE, LEVENE & McAVOY
TRIAL LAWYERS
310 Security Mutual Bldg.
BINGHAMTON, NEW YORK
Insurance attorneys. Especially equipped to handle
investigations, adjustments and litigation over cen-
tral New York.

**ACKERMAN, LEVET &
GEILICH**
175 Main St.
White Plains, N. Y.
John J. Ackerman William B. Levet
Ralph Geilich

Wendell P. Barker
52 Wall Street
New York, New York

ULYSSES S. THOMAS
719 White Building
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Employers' Liability Assurance Corp.,
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Curran**
425 Genesee Valley Trust Building
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Representing London & Lancashire, Glens Falls,
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Trial of all Insurance Cases, State and Federal
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Equipped for Investigations and Adjustments in
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JOHN C. LOOBY
74 Chapel Street
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Equipped for investigations and adjustments
in this territory and trial of cases in Federal
and State Courts.

OHIO

**Waters, Andress, Wise, Roetzel
& Maxon**
1110 First Central Tower
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Representing Aetna Life Ins. Co., U. S. F.
& G. Many others given on request.
Trial of all kinds insurance cases in State and
Federal Courts and in surrounding territory.

L. B. McMillen and Oliver C. Martin
McMILLEN & MARTIN
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Equipped for investigations, adjustments and
trial of all insurance cases in Federal and
State Courts in this territory.

JAMES A. CULBERTSON
914 First National Bank Bldg.
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of all insurance cases, State and Federal Courts,
Ohio and Kentucky.

**McKEEHAN, MERRICK,
ARTER & STEWART &
GEORGE WM. COTTRELL**
2800 Terminal Tower
Cleveland, Ohio

JOHN H. McNEAL
502 Auditorium Bldg., 1367 E. Sixth St.
CLEVELAND
Phone Main 1928
Attorney-at-Law
Facilities for Investigations, Adjustments and
Trial work over Northern Ohio

PRICE & PRICE
812 Leader Building
Cleveland, Ohio
John H. Price, Sr. William Hughes Price
John H. Price, Jr. Newman S. Price
General and Trial Practice in State and
Federal Courts

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AND NIDA**
42 E. Gay St.
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Clients given on request. Equipped for investiga-
tions and adjustments. Trial of all insurance cases
in State and Federal Courts.

Charles T. Warner
35 East Gay St., Columbus, Ohio
(Former Judge of Common Pleas Court and Superin-
tendent of Insurance of Ohio from 1931 to 1935).
General Insurance Practice in All Courts and
Insurance Department
Investigation and Adjustment of Claims
General Insurance Matters

MATTHEWS & MATTHEWS
25 North Main St.
Dayton, Ohio
Ocean Accident, Ohio Farmers, Ohio Farm
Bureau, Indemnity Co. Col.

WALTER B. HILL
517 Broadway
East Liverpool, Ohio
Representing U. S. F. & G., Western &
Southern and others. Equipped for investiga-
tions and adjustments.

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CABLE & CABLE
Masonic Building
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Representing American Surety, Fidelity & Cas. of
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Trial of all Insurance cases in Federal and State
Courts. Equipped for investigations.

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ROMANOFF**
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Trial of Cases. Surety and Casualty, complete in-
vestigation and adjustment service. Insurance trial
work in all courts.

TROUTMAN & TAGGART
112 West Liberty Street
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Representing The Ohio Farmers Ins. Co., and
others. Equipped for investigations, adjustments and
trial of all insurance cases in state and federal courts
in this district.

**Barnum, Hammond, Stephens
& Hoyt**
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Adjustment Department
W. Carlton Young in Charge
Auto—Fire—Theft—Collision—Liability
Property Damage—Marine—Burglary

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Abernathy & Howell
LAW OFFICES
First National Bank Bldg.
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Representing Royal Ind. Co., Eagle Ind. Co., Great
American Ind., and others. Equipped for investiga-
tions, adjustments, trial all insurance cases.

**Embry, Johnson, Crowe &
Tolbert**
First National Building
Oklahoma City, Oklahoma
Equipped for investigation, adjustments, trial of all
insurance cases in the State of Oklahoma.

**MILEY, HOFFMAN,
WILLIAMS, FRANCE &
JOHNSON**
1039 First National Building
Oklahoma City, Oklahoma
Equipped to handle claim investigations.
Trial of all Classes Insurance Cases.

**Pierce, McClelland,
Kneeland & Bailey**
829-838 Hightower Building
Oklahoma City, Oklahoma

V. E. McINNIS & JAMES H. ROSS
Ramsey Tower
Oklahoma City, Okla.
Representing Aetna Cas. & Sur. Co., Aetna Life,
Prudential Ins. Co. of Amer., Car & General,
American Auto Ins. Co., Maryland Cas. and others.
Equipped for investigations, Adjustments and Trial
All Insurance Cases.

Allen, Underwood & Canterbury
Fifth Floor Oklahoma Building
Tulsa, Oklahoma
Representing
Home Indemnity Co., Employers
Liability Assurance Corp.
Equipped to handle trials of
insurance cases in Eastern
Oklahoma.

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**GIBSON, MAXEY &
HOLLEMAN**
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TULSA, OKLAHOMA
Equipped to handle claims, adjustments and
trial of all Insurance cases.

HUDSON & HUDSON
707 Ritz Bldg.
Tulsa, Okla.

OREGON

HERBERT W. LOMBARD
First National Bank
Cottage Grove, Oregon
Equipped for investigations and adjustments
and trial of all insurance cases in Eugene,
Roseburg and surrounding territory.

Collier, Collier & Bernard
Suite 1220 Spalding Building
Henry E. Collier John A. Collier
E. F. Bernard
Portland, Oregon

E. L. McDougal
1437 American Bank Bldg.
Portland, Oregon
Equipped for Adjustments, Investigations
and Settlement of Claims

**MAGUIRE, SHIELDS &
MORRISON**
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Representing Maryland Cas. Co., Employers Reins.
Corp., Yorkshire Ind. Co., Sun Ind. Co., American
Auto Ins. Co. Associated Ind. Co., United Pacific
Cas. Co., Canadian Ind. Co., Canadian Fire Ins.
Co., Great Lakes Cas. Co., and others.

PENNSYLVANIA

**ENGLISH, QUINN, LEEM-
HUIS & TAYNTOR**
Erie Trust Bldg.
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Representing Maryland Casualty, Preferred Accident
and others furnished on request. Equipped for
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in Federal and State Courts.

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Representing Glens Falls Ind., Continental
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Equipped for investigations, adjustments and
trial of all cases in Southeastern Pa.

GEORGE Y. MEYER
1513 Berger Building
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Representing Employers Group, Loyalty
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Equipped for Investigations, Adjustments in
Southwestern Pennsylvania.

LEO. A. NUNNINK
1513 Berger Building
PITTSBURGH, PA.
Phone Court 2265
Attorney-at-Law
Facilities for Investigations, Adjustments and Trial
Work over Western Pennsylvania. Clients given on
request.

(Continued next page)

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RHODE ISLAND

SHERWOOD & CLIFFORD

1503 Turks Head Building
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BAILEY & VOORHEES

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John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottum
Howell L. Fuller
BAILEY-GLIDDEN BUILDING
SIOUX FALLS
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TEXAS

WAGSTAFF, HARWELL WAGSTAFF & DOUTHIT

Attorneys at Law
Abilene, Texas

Equipped to handle adjustments, investigations, settlement of claims and trial of all insurance cases.

Orgain, Carroll & Bell ATTORNEYS AT LAW Beaumont, Texas

Representing about thirty Insurance Companies. Equipped for investigations, adjustments and trial all Insurance Cases.

Touchstone, Wight, Gormley & Price 1108 Magnolia Bldg. Dallas, Texas

McBROOM & CLAYTON Bassett Tower El Paso, Texas

American Surety Co., Western Automobile, Ft. Scott, Kansas, and others.
Specializing in Insurance Law and Trials

Cantey, Hanger & McMahon 15th Floor Sinclair Building FORT WORTH, TEXAS

Samuel B. Cantey Samuel B. Cantey, Jr.
(1883-1934) Alfred McKnight
William A. Hanger Gillis A. Johnson
Mark McMahon B. K. Hanger
W. D. Smith
Investigations, Adjustments, Trial All Cases

Armstrong, Cranford, Barker & Bedford ATTORNEYS AT LAW American National Insurance Bldg. Galveston, Texas

Equipped for investigations, adjustments, settlements of claims, trial all insurance cases.

Boyles, Scott, Tobey & Atkinson First National Bank Bldg. Houston, Texas

Fulbright, Crooker & Freeman State National Bank Bldg. Houston, Texas

TEXAS (Cont.)

Ball, Seeligson & Trueheart National Bank of Commerce Bldg. San Antonio, Texas

Representing U. S. F. & G., Maryland Casualty and others. General Insurance Litigation Defense only.

BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building
San Antonio, Texas

UTAH

Stewart, Stewart & Carter 1105 Continental Bank Building Salt Lake City, Utah

Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

WASHINGTON

F. A. KERN

Washington National Bank Bldg.
Ellensburg, Washington

U. S. F. & G. Co., Sun Life Assurance Co.

BATTLE, HULBERT, HEL- SELL & BETTENS 1001 Exchange Bldg. Seattle, Wash.

Representing Standard Accident Ins. Co. and others. Trial of all Insurance Cases and others in State and Federal Courts.

BAYLEY & CROSON 900-907 Insurance Bldg. Seattle, Wash.

Frank S. Bayley Burton J. Wheelon
Carl E. Croson F. Bartow Fite, Jr.
O. H. Johnson George W. Martin

BOGLE, BOGLE & GATES 6th Floor Central Building Seattle, Washington

Fireman Fund Insurance Co.
Oregon Mutual Life
Occidental Life Ins. Co. Lincoln National Life
Franklin Fire Ins. Co. Occidental Ind. Co.
Home Ins. Co. (Marine Dept.)

PALMER, ASKREN & BRETHORST

1710 Hoge Building
Seattle, Washington

Representing Employers Liability Assurance Corporation and others.

ROBERTS, SKEEL AND HOLMAN Insurance Building

John W. Roberts W. B. McKelvy
E. L. Skeel Wm. Paul Uhlmann
Tom W. Holman Harry Henke, Jr.
Frank Hunter W. E. Evenson
Tyre H. Hollander Robert H. Grace
Laurence Booth, Jr.
SEATTLE

RYAN, ASKREN & RYAN Suite 1903, Northern Life Tower Seattle, Wash.

Counsel for Association of Life Insurance Presidents—Commercial Casualty, Metropolitan, London Guarantee & Accident and others.
Trial all insurance cases in State and Federal Courts in Western Washington.

WASHINGTON (Cont.)

POST, RUSSELL, DAVIS & PAINE

Exchange Building
Spokane, Washington

Aetna Group, Hardware Mut. Cas. Co., Phoenix Ind. Co. and others.
Investigations, adjustments and trial of all insurance cases in Eastern Washington and Northern Idaho.

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Young, Everson & Ryan

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CHESTER D. RICHARDSON

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Loyalty Group, Century Indemnity Co., and others. Equipped for investigation, adjustments, trial of all Insurance Cases.

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Madison, Wisconsin

James E. Coleman John S. Barry COLEMAN & BARRY

1434 Bankers Building
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Over 20 years defense trial practice.

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Milwaukee, Wisconsin

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Bouck, Hilton, Kluwin & Dempsey

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Fidelity & Cas. Co., Continental Cas. Co., Employers of London. Equipped for investigations, adjustments, trial of all fire, casualty, and surety cases in district.

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Massachusetts Bonding & Ins. Co. and others —Equipped to handle adjustments—and trial work.

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WM. B. COBB

Consolidated-Royalty Building
Casper, Wyoming

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Yellow Cab Company and the Grey Line Tours here, and F. S. DeLape and J. A. Brown, attorney.

Rosendahl to San Francisco

Ray Rosendahl, assistant manager at Los Angeles for Swett & Crawford, has been transferred to the San Francisco office of the firm in the same capacity. He has represented the firm in southern California for the past year or more.

Pacific Coast Notes

Abbot & Finck, Los Angeles brokers, has changed its name to E. R. Abbot & Co., with offices at 405 South Hill street, Los Angeles.

R. B. Crofton, Pacific Coast vice-president and manager of the General Re-insurance, has returned to his offices in San Francisco following a three weeks' vacation at Diamond Lake.

H. E. Manners, associate general manager National Automobile Club, has returned to San Francisco, following a vacation during which he visited Salt Lake City, Yellowstone National Park, Glacier Park and the Grand Coulee in Washington.

Eastern States Activities

Push "All-In-All-Out" Move

Wyoming Valley Agents Advocate Rule for Pennsylvania—State Association Meets Sept. 11-13

PHILADELPHIA, Aug. 28.—Prominent among the subjects to be discussed at the annual convention of the Pennsylvania Association of Insurance Agents will be that of the "all-in-all-out" plan. The convention, which will be held at Pocono Manor Sept. 11-13, promises to be the most largely attended in years. The reservations are running far ahead of last year. In addition, the program so far arranged promises to make the sessions one of the most important insurance gatherings of the year.

The agitation for the "all-in-all-out" movement is being raised by the Wyoming Valley agents. The plan calls for all agents to be members of the agents' association. Where an agent refuses to join, his companies must leave his office or else the companies' other agents give up the companies and the other agents refuse to give any reinsurance or business of any sort to the companies in the non-member's office.

Starting in Wilkes-Barre, the plan is said to be enforced in that city with the companies cooperating with the agents. As a result of the movement, it is said that the Wyoming Valley membership during the year has been raised to 75, an increase of about 100 percent.

Henry Schmid, president of the Wilkes-Barre board, and a leader in the move to have the state association adopt the "all-in-all-out" plan, is endeavoring to line up Pittsburgh and Philadelphia in favor of the project. A meeting of the Philadelphia association has been called for the end of this week at the Insurance Society at which time Schmid will discuss the plan and tell of its operation in Wilkes-Barre.

Other subjects listed on the program for discussion include wholesale insurance, workmen's compensation and insurance legislation. Charles T. Monk, president of the Philadelphia association, will lead the wholesale insurance question for discussion. Abe Galland will deliver an address on "Underwriting Requirements on Workmen's Compensation," and Frank D. Moses, secretary of the state association, will read a report on the insurance legislation at the recent session of the Pennsylvania legislature.

In addition, there will be round-table and open forum discussions of sales plans being used by agents and brokers.

Guest speakers will include Commissioner Owen B. Hunt and Kenneth H.

Bair, of Greensburg, chairman of the executive committee of the National association and former president of the Pennsylvania association.

A strong movement, without his knowledge, appears to be under way throughout the state to elect J. W. Henry, of Pittsburgh, as president of the state association. Henry is well-liked by agents and has made a splendid record during the past year.

Rhode Island Supervisory Setup

Some confusion exists in the minds of insurance people as to the setup in the department in Rhode Island, charged with insurance supervision. Oscar L. Heltzen is really the detail officer in charge of the insurance department, although earlier this year he was removed as chief of the division of banking and insurance. That position is now held by M. Joseph Cummings. However, Mr. Cummings retained Mr. Heltzen as deputy chief of the division of insurance and so far as insurance supervision is concerned Mr. Heltzen is still the man to whom to look.

Oswego Report Issued

The gross fire loss for the past five years in Oswego, N. Y., amounted to \$369,648, according to the National Board. The average loss per fire was \$6.16, "a moderate figure," and the average loss per capita \$3.36, "a moderate amount."

The water supply is generally dependable. The quantities for engine supply are sufficient in the principal mercantile

district and generally in residential districts but deficient in some manufacturing districts. The fire department is inadequate to cope with other than small fires. The fire alarm system is somewhat inadequate and unreliable.

The conflagration hazard is severe in the principal mercantile district, due to fire-resistively weak construction and weak fire department; valuable mitigating features are width of river and generally wide streets. Serious fires are probable in some manufacturing plants and in other sections due to inadequate water supply.

Conservation Agency Set Up

A department of conservation has been created in the banking and insurance division in New Jersey. It will serve to centralize supervision of defunct insurance companies, building and loan associations and banks. It will act as the consolidated agency for the department's insurance office, which was located in Newark until its recent removal to Trenton.

Fleming to Talk in Montclair

T. Alfred Fleming, head of the conservation department of the National Board, will speak to the Montclair (N. J.) Rotary Club Sept. 3. A large number of insurance men will attend.

The Great American Underwriters, an agency, has been incorporated in Newark by J. D. Savarese, R. G. Messner and J. Brett of Newark, S. Tendler of Jersey City and M. J. Levinson of Caldwell. It is located at 241 Springfield avenue.

MARINE INSURANCE NEWS

War Scare Having an Effect

Italy-Ethiopia Imbroglio Has Caused Marine Underwriters to Start Rates Up the Ladder

NEW YORK, Aug. 28.—The threatened war between Italy and Ethiopia is causing consternation among marine underwriters here. Last Friday it was agreed to withdraw the existing war rates on cotton in the Mediterranean region. It is expected that new rates will be promulgated from day to day as conditions demand.

Word has been received from Oslo that many Norwegian shipowners have taken out war insurance and a committee has been appointed by the Norwegian Insurance Companies Association to draw up war insurance conditions which will cover cargoes as well as ships.

The insurance on those steamships which have been sold to Italy for use as transport ships will be arranged on the fleet of the Italia group and will be reinsured in London. The ships recently purchased include the Danish liner "United States," the British ships "Fort St. George," "Nasina" and "Kia Ora," the North German Lloyd vessels, "Sierra Cordoba," "Sierra Ventana" and the "Werra," also the Hamburg American liner "S. S. Resolute." Three vessels, the "Melita," "Minnedosa," "Sierra Cordoba" and "Sierra Ventana" have been insured for \$540,000 each. In the opinion of some authorities these ships are over-insured, but it must be kept in mind that underwriters are carrying risks of average claims on values which are only \$35 or \$40 a ton and this is extremely low for passenger ships.

Companies writing ocean marine are withdrawing all war, strike and riot rates throughout the world. New rates will be promulgated from day to day.

Fine Arts Coverage Offers Agent Especial Opportunity

Fine arts insurance is divided in two classes, private and commercial. Ex-

perience on the former for ten years has been remarkably good, while the latter has afforded inland marine underwriters some worry.

The fine arts policy offers agents a fine opportunity for a good line of business. In every community, large or small, there are always numerous individuals possessing valuable rugs, tapestries, paintings and various art objects. This coverage is characterized by an "all risks" protection which includes those hazards usually covered by several policies, such as fire, burglary, wind-storm, water damage and the like. With a small additional cost it also covers accidents caused by carelessness of servants, damage done by a household pet in knocking over small objects or chewing a rug, the result of a bursted steam valve on a radiator, falling paintings or faulty building construction and mysterious disappearance.

There are fine points to the underwriting of such a policy. While there is a standard schedule of rates to be applied, the character of the assured is an important factor because many fraudulent claims are made. Where the value of the property exceeds \$750,000 a special rate is always used.


Often it is necessary to have more than one appraiser judge a risk. Illustrative of the wisdom of this is the story of the appraisal which contained an item "one brass spittoon—valued \$5." Further investigation revealed the fact that the "brass spittoon" was a famous gold and jeweled basin wrought by Cellini and reputedly bought by J. P. Morgan for \$150,000.

Large museums are not considered good prospects because they cannot afford to carry the insurance necessary to cover their contents. They prefer to spend such money as they have on methods of protection within their own walls. Smaller museums are more likely prospects. Art galleries employ this type of insurance extensively especially when they send paintings to exhibits or on approval to customers.

The recent sale and transporting of six famous pictures from the Morgan collection is suggestive of the need for a floater policy. While the paintings could never be replaced, their value remains. Rare books and manuscripts are often sent to small libraries for exhibi-

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ORGANIZED
1869



OLD MAN OF THE MOUNTAIN

SUCCESSFUL

CASH CAPITAL
\$3,000,000.00

NEW HAMPSHIRE FIRE INSURANCE CO.

Manchester, N.H.

ASSETS... \$15,606,912.87

LIABILITIES EXCEPT CAPITAL
\$ 5,347,824.65

POLICY-HOLDERS' SURPLUS
\$10,259,088.22

VALUATIONS ON BASIS APPROVED BY NATIONAL CONVENTION OF INSURANCE COMMISSIONERS
SECURITIES CARRIED AT \$306,372,10 IN THE ABOVE STATEMENT ARE DEPOSITED AS REQUIRED BY LAW

65 YEARS OF ACHIEVEMENT

1805

130th ANNIVERSARY

1935

50th ANNIVERSARY of UNITED STATES BRANCH

CALEDONIAN INSURANCE COMPANY

The Oldest Scottish Insurance Office

GOOD faith to agents and policyholders at all times has been one of the fundamental policies of this company. It is exemplified by an honorable reputation, sound practices, sound underwriting and a sound financial policy.

**Caledonian-American Insurance Co.
of New York**

Robert R. Clark
U. S. Manager and President

**The Netherlands Insurance Co.
of The Hague, Holland**

Established 1845
Robert R. Clark, U. S. Manager

Executive Offices: Hartford, Conn.



NATIONAL UNION FIRE INSURANCE COMPANY

Pittsburgh, Pa.

"The way we do things,
not just the way we
say things, is always
the measure of our
sincerity."

—Anon.

A
Good
Agency
Company

tion purposes and these most certainly are insured. Other prospects to be considered are clubs, churches and colleges. For instance, one of the large colleges for women in New England has an enviable collection of original paintings in its art gallery. Agents can profitably push this line.

Death of M. F. Tompkins

NEW YORK, Aug. 28.—M. F. Tompkins, well known as an expert on admiralty law, died Aug. 22 at the home of his daughter in Scarsdale, N. Y. Mr. Tompkins was a senior member of the law firm of Tompkins, Boal & Tompkins, and had been in active practice for 33 years. He was a director of the United States P & I Agency, Inc., and also of S. D. McComb, Inc. He was 54 years old.

Towboat Loss Is \$25,000

Burning of the towboat Otto Mar-mett at North Bend, O., on the Ohio river caused a \$25,000 total loss last week. The boat burned to the water's edge and sank in 10 feet of water. The boat was an oldtimer, being over 30 years old. Captain W. C. Lepper adjusted the loss for Neare, Gibbs & Co., marine general agents, Cincinnati.

Marine Insurance Notes

S. D. McComb, New York City, head of the Marine Office of America, sailed Aug. 28 on the "Washington" for a six weeks' stay in Europe.

R. T. Marshall, of New York City, president of Albert Willcox & secretary of the I. M. U. A., has returned from a two weeks' stay in Europe.

Motor Insurance Events

Tighten Up in Racket Fight

Cooperation of Insurance Companies
Desired in Blocking Tricks Worked
Through Junked Cars

DETROIT, Aug. 28.—Insurance companies have been requested to cooperate in the drive against the junked car racket by reporting to the auto title division of the department of state when they pay total loss claims on wrecked cars, giving the title number. One such application for transfer already "flagged" in the records of H. R. McConnell, head of the division, led to the apprehension of 16 men and the recovery of 80 stolen cars. Records show that 44 persons have been convicted within the past year of offenses involving junked cars. Federal Department of Justice operatives have cooperated where men are arrested for violation of the federal Dyer act, which defines transportation of stolen cars across state boundaries as a felony.

The racket consists of buying up late model junked cars that have been wrecked in accidents and thus obtaining title to them, then stealing new cars of the same model, and changing the serial numbers of the stolen cars to agree with the titles. Shortly afterward the title is legally transferred from the name of the original owner to that of an agent for the gang. From that point on open sale of the stolen cars is possible without much chance for detection.

All Detroit policemen have been instructed to report every junked car seen. Insurance companies are asked to report those on which they pay a total loss. When the identification numbers of such cars come up for transfer the certificate of title is withheld until after investigation. It was an investigation that led to the capture of the 16 men.

Insurance carriers, of course are eager to cooperate with the authorities inasmuch as they are subjected in some cases to payment of two "total losses" in a single operation of the theft ring, first pay-

ing off the owner when his car is wrecked and later paying a theft loss when the first car's certificate of title is "matched" by the car thieves.

To Consider Rate Situation

Southeastern Underwriters Association
Will Hold Conference Over Birming-
ham School Board Business

BIRMINGHAM, ALA., Aug. 28.—The rate wrangle in Birmingham over county school board business will be taken up by the executive committee of the Southeastern Underwriters Association at its next meeting, according to information conveyed to the Birmingham Association of Insurance Agents. The date of the meeting was not announced. The local board in a letter to Charles E. Bickerstaff, S. E. U. A. president, had asked for immediate action in order to avoid a "deplorable and dangerous condition" likely to lead to an "open rate war."

Pink, on Radio, Warns of State Insurance Tendency

NEW YORK, Aug. 28.—While there are some things that only government can do, private enterprise has proven that it can intelligently and successfully carry on the insurance business, said Superintendent Pink of New York in a radio address.

"There is today abroad in the land a demand for larger participation in the insurance business on the part of government," he said. "In the light of our present knowledge this is an unfortunate tendency, except where private enterprise cannot adequately perform a social function. Government has enough to do today without taking over the insurance business. Government insurance and state funds, while worthy of careful study and experimentation, are with appropriate exceptions, a doubtful road to insurance safety—one to be traveled with caution."

Expressing sympathy with the aims of the federal social security program, Mr. Pink pointed out that this activity would supplement rather than conflict with private insurance enterprise and that government will not take over insurance if those in charge of the institution realize the broad social obligations of their business.

In an effort to clarify the public's apparent illusion that state supervision should constitute a guarantee of solvency, Mr. Pink pointed out that such a guarantee would be impossible without complete state control involving a comprehensive system of state insurance which he considered to be repugnant to most Americans. Regulation, however adequate, he warned, can never take the place of careful selection, and the public should choose those companies which have a reputation for progressive and honest management and for financial strength. He expressed the hope that in time methods would be devised to mitigate the hardships caused by failures of unsound companies. As a step toward this he mentioned the workmen's compensation security fund established by the 1935 legislature.

Death of A. M. Woodruff

LOUISVILLE, Aug. 28.—Funeral services for Alex M. Woodruff, 63, secretary of the Kentucky & Louisville Mutual and prominent in Masonic activities here, who died of a heart attack Saturday in his residence, will be held Monday afternoon in the Crescent Hill Baptist Church.

Mr. Woodruff, a graduate of Louisville Male High School, was in the insurance business 40 years.

Kansas City Board Elects

KANSAS CITY, KAN., Aug. 28.—The Kansas City, Kan., Board has elected C. H. Lind of the Holcomb,

Tinklepaugh & Lind agency as president. Gilbert Henry of R. K. Stiles & Co. was reelected secretary-treasurer, and G. E. Way was elected vice-president. Sam Reynolds was reelected for another 3-year term as a member of the executive board. George McAnany was elected to fill the place of G. T. Jolliff whose membership on the executive board expired. Mr. Henry will represent the board at the national convention.

Reinsurance Was Divided

In reporting recent activities of the Johnson & Johnson general agency of Charleston, S. C., the statement was made that the business of the Southern Home was taken over by the Equitable Fire of Charleston, S. C. As a matter of fact the Equitable reinsured the business of the Southern Home only in North and South Carolina; the Globe & Rutgers reinsured the Southern Home's business in Florida; the Sun in Georgia and the Bankers & Shippers in Alabama.

W. F. Grosser, Salina, Kan., local agent, has been appointed personnel director of the third district of the Works Progress Administration with headquarters at Salina.



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Milwaukee Agent Died Suddenly Tuesday Night



BEN A. LEHNBERG

MILWAUKEE, Aug. 28.—Ben A. Lehnberg, vice-president of the Chris Schroeder & Sons Agency, and vice-president of the Schroeder hotel system, died suddenly last night. Mr. Lehnberg was formerly a Chicagoan and was connected with the railway mail service. He became Illinois special agent for the Security of Davenport and one of his first appointments was the late J. A. Giberson at Alton, Ill. Later he became special agent for the O. C. Kemp general agency in Illinois under Raymond Waldon, state agent. Subsequently he was transferred to Wisconsin as state agent. When the old Rochester German of this group was purchased by the Great American, Mr. Lehnberg became Wisconsin state agent of the Connecticut Fire, remaining in that position until he entered the local business. He was active in the Milwaukee Board and served as its president. He was prominent in the Wisconsin Association of Insurance Agents.

General of Seattle to Have Its Home Office Building

SEATTLE, Aug. 28.—H. K. Dent, president General of Seattle, today announced plans for erecting its own home office building at a cost of \$100,000. It will be a five story structure to be built on the site of the famous old Eliza F. Leary home. This structure and old edifice will be preserved as will the grounds to serve as a public attraction. The site is located on Tenth Ave. NE, between East Galer and East Blaine streets. The city council today rezoned the district permitting the erection of the building. It is planned to have the building completed by Jan. 1.

Kentucky Farm Rates Reduced

FRANKFORT, KY., Aug. 28.—Fire insurance rates on farm property in Kentucky have been reduced 20 to 25 percent as a result of the removal of certain extra charges heretofore added by insurance companies according to an announcement made by McKay Reed, insurance commissioner.

Prince Edward Island Official

W. E. Cotton, who had been appointed insurance superintendent for the province of Prince Edward Island succeeding H. R. Stewart, did not take office. Major P. S. Fielding has been appointed superintendent by the new administration.

H. M. Grosvenor Resigns

H. M. Grosvenor of Detroit has resigned as Michigan state agent of the New York Underwriters.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Aug. 28, 1935

	Par	Div. per Share	Bid	Asked
Aetna Cas.	10	2.50*	92	95
Aetna Fire	10	1.60	57 1/2	59 1/2
Aetna Life	10	.60	32	34
Agricultural	25	3.00	83	85
Amer. Alliance ..	10	1.60	27	29
Amer. Equitable ..	5	1.00	27	28 1/2
American (N. J.) ..	2.50	.50	14 1/2	15 1/2
Amer. Reins.	10	2.50	60	62
Amer. Reserve ..	10	1.00	27	28 1/2
Amer. Surety	25	1.00	40	42
Automobile	10	1.00	40	42
Baltimore Amer. ..	2.50	1.00†	6 1/2	7 1/2
Bankers & Ship. ..	25	3.25*	92	94
Boston	100	16.00	620	635
Camden Fire	5	1.00	22	24
Carolina Fire ...	10	1.10*	27 1/2	29 1/2
Central Surety ..	20	.50	22	24
City of N. Y.				
Ins. (new)	10	1.00**	26	28
Contl. Assur. ...	10	2.00	39	41
Contl. Casualty ..	5	.60	18 1/2	20
Continental	2.50	1.20	40	41
Excess	5	.50	17	18
Federal	10	2.50*	78	80
Fidelity & Dep ..	20	1.00	80	82
Fidelity-Phen. ...	2.50	1.20	40	41
Fire Assn.	10	2.00	72	74
Fireman's Fund ..	25	3.00	91	93
Fireman's F. Ind. 10			34	36
Firemen's (N. J.) 5			9 1/2	10 1/2
Franklin	5	1.20*	27	29
Glens Falls	5	1.60	38	40
Globe & Repub. ...	5		14	15
Gl. & Rut. (com) 25			30	35
Gt. Amer. Ins. ...	5	1.00	27	29
Gt. Amer. Ind. ...	1	.15	7	8
Halifax	10	.90	19	20
Hanover Fire ...	10	1.60	40	42
Harmonia	10	1.10*	26 1/2	28
Hartford St. B. ...	10	1.80*	71	
Home Fire & M. ...	10	2.00	43	46
Home (N. Y.) ...	5	1.20*	30	32
Ins. Co. of N. A. 10		2.50*	70	72
Maryland Cas. ...	1		2	2 1/4
Mass. Bonding. ...	12.50		26	29
Merchants & Mfr. 5			8	10
Merch. F. Assur. 2.50		1.25*	49	52
Monarch Fire ...	4		5	6
Natl. Cas.	10	.40	15 1/2	17
Natl. Fire	10	2.00	75	77
Natl. Liberty ...	2	.30*	8	9
Natl. Union F. ...	2	2.50*	135	140
New Am. Cas. ...	2		10	11
New Bruns. F. ...	10	1.15*	30	32
New Cent. Cas. ...	50		22	
New York F. ...	5	.30*	16	18
Northern (N. Y.) 12.50		3.50*	96	98
Northw. F. & M. ...	10	1.00	21	
North. Nat. Cas. 2.50			5 1/2	6 1/2
Northw. Nat. F. 25		5.00	138	142
North River ...	2.50	.85*	25	27
Ohio Cas.	50	4.00	75	85
Pacific Fire	25	3.25*	105	108
Pacific Mutual ..	100	.25†	10	12
Philadelphia Nat. 10		.90	17	19
Phoenix	10	2.50*	87	89
Preferred Accl. ...	5		16	18
Prov. Wash.	10	1.10*	45	47
Rhode Island ...	5		7	8
Security	10	1.40	36	38
Southern Fire ...	10	1.00	23	25
Springfld. F. & M. 25		4.50	135	139
St. Paul F. & M. 25		7.50*	197	202
Standard Accl. ...	10		2	
Travelers	100	16.00	620	640
U. S. F. & G. ...	2		11	12
U. S. Fire	4	1.70*	53	55
Westchester	2.50	1.40*	33	35

*Includes extra.

†Paid this year on 10 par stock.

**Based on old stock.

‡Paid last year.

Greer Soon to Leave Jackson

JACKSON, MISS., Aug. 28.—R. S. "Bob" Greer, state agent for the Automobile in Mississippi for many years, who resigned to accept a similar position with the New York Underwriters in Alabama, will leave Jackson for Birmingham, his new headquarters, Sept. 15. No appointment has been made yet by the Automobile to fill the Mississippi vacancy.

Close Seattle Office

Durham & Bates, Portland, has closed its Seattle offices and turned over its accounts to the Republic Insurance Agency. Roy Woods, former manager is now associated with Ellery Newton agency of Seattle.

Miss Virginia Augustine, daughter of R. B. Augustine, head of the R. B. Augustine & Co. agency of Richmond, Va., will be married Sept. 14 to Lucius Cary of Richmond.

Miscellaneous Notes

A local agency has been opened at Lott, Tex., by W. G. Kirkcey.

W. J. Taggart has disposed of his interest in the Seattle agency firm of Taggart-Degginger, to the other member of the firm, L. N. Degginger. This business is being continued under the firm name of L. N. Degginger, Inc.

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(CONTINUED FROM PAGE 1)

1936 meeting will be held in Oklahoma City. While a number of changes in present regulations were recommended in reports of several of the committees, none was of a radical nature, being in the main clarification of verbiage.

The present membership of the order is 6,699, a net gain of 84 for the year, within which period 95 ganders died.

Carroll L. DeWitt, assistant United States manager of the Eagle, Star & British Dominions, is a visitor.

Mr. Mehorter, in his address announced that the cup for the pond recording the greatest percentage membership increase goes to Ohio. It was held by Illinois last year.

He mentioned the formation during the year of the Alamo pond of San Antonio. He urged that the grand nest officers and deputy most loyal grand ganders keep in close touch with the ponds, and that each pond be visited by at least one during the year. He made several suggestions for economy in grand nest administration. He reported that J. Charles Harris of San Francisco, past most loyal grand gander, is addressing letters of sympathy to members throughout the county who are incapacitated, if their names are reported to him.

W. T. Benallack, secretary of the Michigan Fire & Marine, reported as chairman of the life insurance committee. As of July 1, 1935, there were 2,321 insured members, a net loss of eight. There were 36 deaths during the year. The interest and activity in this direction has not been as general as it should be, he said. Mr. Benallack urged that local life insurance committees be created and function energetically. Since the life insurance plan was put in operation there has been paid to beneficiaries \$683,500. The committee made a recommendation for extending accommodation to members who are hard up in paying their premiums.

J. R. Knowlan, who now enters the grand nest official list, is proprietor of the Schmidt Inspection Bureau of Philadelphia, a service established by his father years ago and freely patronized by insurance companies. He is wielder of the Penn Pond.

The report of Grand Wielder Helliwell revealed the order to be in a satisfactory condition both as to its general activities and financial status. The present membership is greater by 84 than that of a year ago.

In the report of the jurisprudence committee issues raised by the several ponds as to the eligibility to membership of fire chiefs, lawyers and casualty men were reviewed. The conclusion of the committee in respect to casualty people was that the issues be governed by the character of the company paying the applicant's salary. It was recommended that the qualifications for membership as set forth in the constitution be strictly observed.

Messages of sympathy will be sent past Most Loyal Grand Gander Wirt Leake of Dallas and J. D. Cherry, Montreal, both of whom are seriously ill.

Insurance Patronage Is Dealt

HARTFORD, CONN., Aug. 28.—Policies carried by the state are being canceled so that the insurance may be distributed among agents on a definite patronage basis, the state controller announces. He says there has been a considerable change in the political skies. In the past, he said, no one but a Republican agent received business. Now it is the intention to give the insurance to Democratic agents.

Kentucky Record for 1934

Commissioner Reed of Kentucky in his report for last year shows the fire companies collected \$11,089,121 premiums and paid losses of \$6,388,729 in the

state. The loss was heavy on account of the James E. Pepper Distillery fire at Lexington in April, 1934.

The stock fire companies of other states had \$8,515,569 premiums and paid losses \$4,724,907. The foreign companies' premiums were \$1,525,265 and losses \$1,287,406. The other state mutuals report \$446,997 premiums and \$96,462 losses. The reciprocals had \$65,127 and losses \$6,996.

Chattanooga Exchange Elects

F. L. Gates has been elected president of the Chattanooga, Tenn., Insurance Exchange. W. S. Keese, Jr., is the retiring president. W. C. Brown was chosen vice-president, H. F. Wenning, secretary, and Preston Daniels, treasurer. Directors elected were W. F. Keese, Jr., J. W. Oliphant, Stanley Lachman, N. S. Sloan and Claude Alexander.

Sales Suggestions Given by Priest on Western Tour

(CONTINUED FROM PAGE 3)

of the possibility of large insurance buyers purchasing coverage direct at wholesale. Mr. Priest suggested this agitation may have been prompted because of the eternal wrangling between companies and agents. The buyer may have come to feel that when principal and agent are battling each other, there must be something wrong with the system. There should be greater reliance on a spirit of confidence and cooperation.

In Denver Mr. Priest emphasized the value of local boards. He said such institutions develop good sportsmanship in the business to the advantage of all. He told of an experience in a local board of 10,000 people. There were nine members of the board and two of the members had a large, wholesale grocery line. The assured decided to buy his insurance by mail. The members who had not been interested in the line, proceeded to call on the grocer, in teams of two, not to solicit his line, but to show him why he should leave his account at home. The agent brought other influential business men to talk to the grocer and the line was retained by the original agent.

An effort should be made to learn the trade problems of other business men. Very often their problems are about the same as those of the local agent.

Local board meetings should be made attractive, he said. They should be held twice a month and there should be a definite program. County commissioners, city commissioners, board of education members, etc., should be invited. He suggested the slogan, "Be it ever so humble—Buy it at home." Agents should buy clothes, sporting equipment, furniture, etc., from home town dealers.

DENVER SESSION IS HELD

DENVER, Aug. 28.—Between 50 and 60 local agents attended a special luncheon meeting of the Denver Association of Insurance Agents to hear an address by Frank T. Priest of Wichita. A. P. Miller, president of the local group, introduced W. J. Sproul of Canon City, president of the state association, who left a sick-bed to attend the meeting.

Mr. Sproul spoke briefly, stressing membership and announcing that the state meeting would be held in October. He appealed for each member to bring in one new member by that time. President Miller outlined the Denver group's plan for the year.

In a brief open forum it was brought out that, under the new state fire fund law, insurance on public buildings is being placed in communities in which the buildings are located. It was also made known, by President Miller, that an increase in local association membership will help in getting the city administration to place municipal insurance through the organization. The present mayor is in sympathy with such a plan, but it must be stressed by a

strong organized group. Concluding the meeting, Priest explained the Wichita plan of distributing municipal insurance, pointing out that a committee of four members of the association works continuously on this program.

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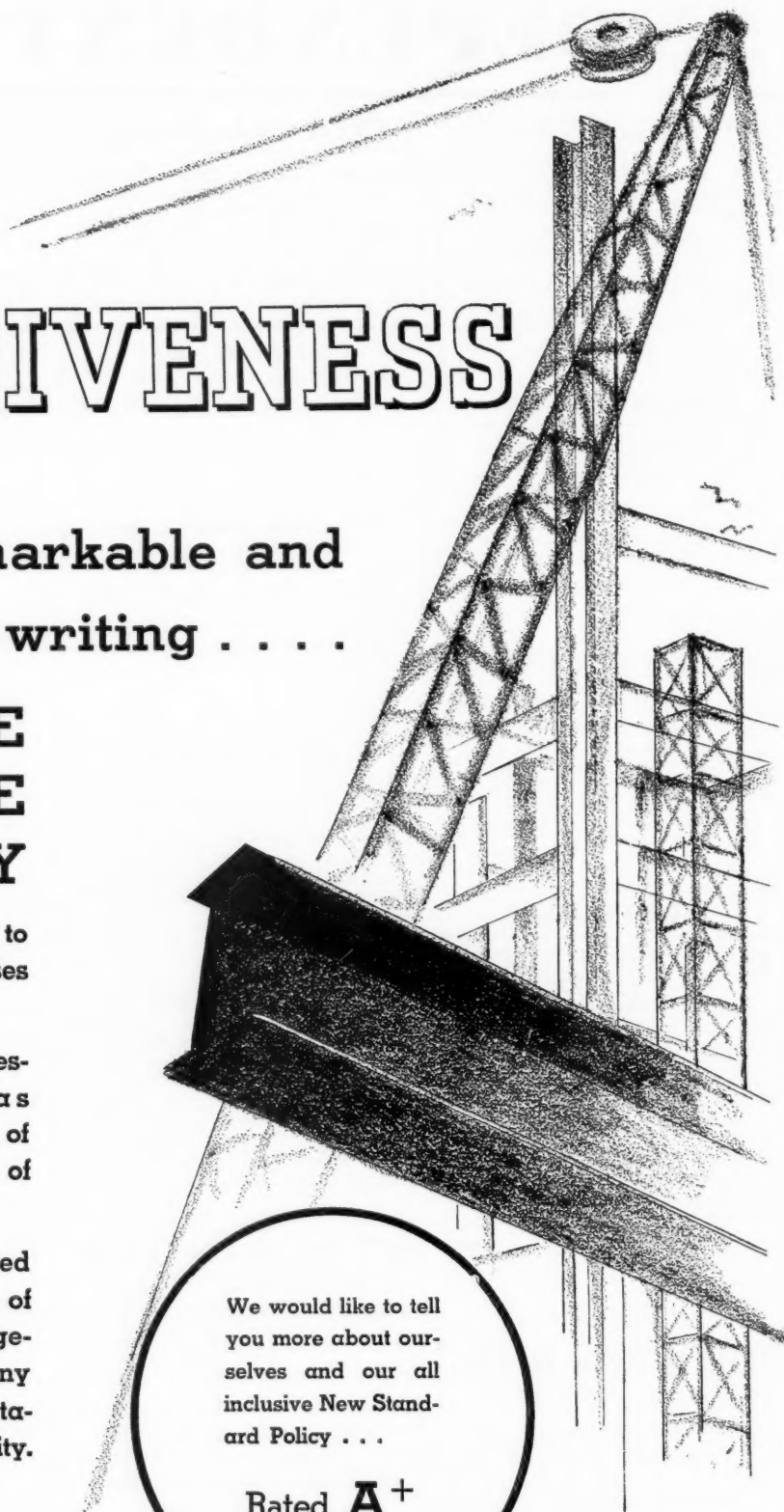
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The National Underwriter

August 29, 1935

CASUALTY AND SURETY SECTION

Page Twenty-nine

Long Haul Truck Plans Considered

Problem Before Casualty Company Officials Is a Serious One

QUESTION BEING STUDIED

Experience of the Consolidated Indemnity, Although Meager, is Regarded Worthy of Investigation

NEW YORK, Aug. 28.—Notwithstanding the evident interest of agents in many sections in the suggested formation of a pool for writing long haul trucking lines, and the manifest advantages that might be expected to accrue both to insurer and insured through such program, no definite steps toward its attainment have yet been taken. The matter is still discussed informally by company officials, and the understanding is several large casualty institutions are making an intensive study of the general propositions, though along what lines and to what end appears to be a closely guarded secret.

Experience of Consolidated Casualty

When the idea has been broached, heretofore, a number of officials declared favorably—hedging, however, when the proposition was advanced that the suggested pool carry all risks, and not only those having a particularly unsatisfactory loss record.

That it is possible to write long haul, and even bus business, at a profit despite prevailing belief to the contrary is attested by the experience had with both classes by the Consolidated Indemnity of this city. The failure of this company was by no means due to its bus underwriting record, which it handled along independent lines and at a profit. Had its other divisions been conducted as efficiently the institution would unquestionably be in successful operation today.

Complete Record Was Kept

Recognizing that the casualty record in both truck and bus lines hinged largely upon the type of the motorists, the Consolidated Indemnity kept a pretty complete record of the names and experience of all drivers throughout the territory in which it operated, and when insurance propositions were submitted it, careful review was made of its chauffeur list, insisting on the discharge of any individual whose record was undesirable. Unless this condition were complied with the line was promptly rejected. The company, moreover, maintained a complete tabulation of the character of accidents reported by its assured and where intensive study revealed a common fault, remedial measures were demanded.

The underwriting policy of the Consolidated, moreover, was an independent one, in that it flatly refused to entertain

(CONTINUED ON LAST PAGE)

Bank Robbery Picture Is Far From Rosy, Iago Says

John J. Iago, vice-president of the Fidelity & Deposit, makes some interesting comment concerning the burglary situation, in writing to correct an erroneous impression created in an article in the July 25 edition stating that there was a big decrease in burglaries in 1934 as compared to 1933. Mr. Iago's communication follows:

"In the July 25 issue of THE NATIONAL UNDERWRITER there appeared a dispatch from Philadelphia and headlined 'Bank Holdups Generally Much Reduced Since 1933.' From that dispatch I quote the following:

"Records show that companies in the National Bureau of Casualty & Surety Underwriters suffered 475 bank robbery losses in 1930, 510 in 1931, 495 in 1932, 273 in 1933 and 118 in 1934."

"It seems to me that the foregoing, considered either separately or in conjunction with the text of the dispatch in which it appeared, can be interpreted by any interested person to indicate that in calendar year 1933 the member companies of the National Bureau of Casualty & Surety Underwriters suffered 273 losses by bank robberies, and that in calendar year 1934 they suffered only 118 such losses—a decrease of 57 percent. Obviously a decrease of 57 percent would justify the headline assertion that bank holdups were generally much reduced since 1933.

Policy Year Basis Used

"But the statistics set forth in this dispatch were taken from a tabulation made by the National Bureau and distributed to its members for their private use and not for publication. The National Bureau's tabulation was made up on a policy year basis; not on a calendar year basis. It is, of course, a fact that the National Bureau's tabulation shows that there were 273 insured bank robbery losses incurred during full policy year 1933 by member companies. But obviously a tabulation for full policy year 1934 cannot be made until after all 1934 policies shall have expired. In other words, it cannot be made until sometime during calendar year 1936. It is, of course, a fact that the National Bureau's tabulation shows that there were 118 insured bank robbery losses incurred by member companies during that part of policy year 1934 (half) which was included in the tabulation. Assuming that the second half of policy year 1934 be the same as the first half, then the total number of bank robbery losses for full policy year 1934 will be about 236 as compared with 273 for full policy year 1933. In other words the percentage decrease will probably be closer to 15 percent than to 55 percent, and it goes without saying that there is a vast difference between those two percentages.

"Within the writer's knowledge aggressive crusades for reductions in the rates of bank robbery insurance are already in progress in two states, and similar crusades may be in progress in other states. Although it is true that the frequency of bank robberies today is lower than it was in calendar year 1933, nevertheless, the reduction is not as great as the misstatement in the Philadelphia dispatch would indicate, and any rate reduction at this time would be premature. Obviously, however, the reported decrease of 57 percent might conceivably prove to be very useful propaganda.

Cites Counter Cash Ruling

"Being a rather sour cynic, I can't resist the temptation to speculate as to whether some manufacturer of time locks and time-locked receptacles may have come into unauthorized possession of the National Bureau's statistics, and may be endeavoring to use these for an obvious purpose. The dispatch to which I am referring states, inter alia, 'the counter-cash ruling of the bureau, which provides that not more than 15 percent of the insured cash may be kept out with the balance in time controlled safes and vaults is given by underwriters as still another cause for the cutting down of insurance losses.'

"Peculiarly enough the bureau's statistical tabulation, from which the figures set forth in this dispatch were taken, shows that the average bank robbery loss in policy year 1934 was \$2,455, whereas, in policy year 1933 it was \$2,275—an increase instead of a decrease. Of course, here again we are comparing half of policy year 1934 with full policy year 1933, which comparison is unjustifiable from any viewpoint. But it does seem a bit peculiar that the assertion regarding the apparently sharp decrease in loss frequency was evidently based upon the same statistics which actually show an increase in the average loss. Personally I don't think this proves anything except that you can't put much confidence in statistics. However, the Fidelity & Deposit used to write a fairly substantial volume of bank burglary and robbery insurance and we have not observed any appreciable decrease in the amounts of claims caused by this counter-cash ruling. It would be most peculiar if our experience were really opposite from that of all other companies.

Rates May Still Be Too Low

"For more reasons than one a reduction at this time in the rates for bank robbery insurance might prove most unfortunate. During the past five years or more the companies have been steadily losing money on bank burglary and robbery insurance, and rates for such insurance have been uniformly too low. It is quite possible that, notwithstanding the various increases made during recent years, our rates for such insurance are still too low. As a matter of fact, the bureau's statistics show that the ratio of losses incurred to premiums earned during half of policy year 1934 was actually six points higher than the corresponding ratio for full policy year 1933 in respect of bank robbery insurance. Consequently it has been necessary to offset the underwriting loss, and the inadequacy of rates, in respect of bank burglary and robbery insurance by underwriting profits on other types of burglary insurance, namely, residence and mercantile burglary insurance.

"It is, of course, common knowledge

(CONTINUED ON PAGE 34)

Analysis Made of Guest Law Issues

A. R. Peterson of Chicago Discusses Problem in Continental Casualty Talk

STRESSES PROMPT QUIZ

Considers Question of What Is Gross Negligence That Imposes Liability on Host

Some of the issues that have arisen in those states that have undertaken to relieve automobile drivers of liability to guests except if the driver has been guilty of gross negligence, wilful misconduct, wanton misconduct, heedlessness, recklessness, or something similar, were treated by Attorney A. R. Peterson of Chicago in a paper presented before the conference of adjusters and claims attorneys of the Continental Casualty in Chicago.

Mr. Peterson pointed out that the assured, the host, will look with much more favor on a claim made against his insurer by one of his guests than on a claim made by another driver, who in the mind of the assured is usually the one really responsible for the accident. In a guest case, the assured is very likely to confuse in his own mind the difference between a policy of public liability insurance and a policy of accident, collision or fire insurance. Confusion between public liability and other insurance such as collision and fire may be increased, he said, by the fact that the two kinds of insurance frequently are found in the same policy. Mr. Peterson declared that everyone dealing with problems of liability coverage should take advantage of every opportunity to emphasize the distinction between public liability and other kinds of insurance.

Sees Antagonistic Bias

In suits by a guest against his host the insured may frequently have a motive or bias antagonistic to the interests of the insurer. Only a little distortion of the facts may be necessary to impose liability on the insurer.

The prompt investigation of guest cases and the procuring of signed statements at an early time when probably neither the assured nor the guest is familiar with the laws of negligence will frequently protect a company against imposition, he said. An investigation made before the guest has consulted an attorney is much more likely to result in the truth.

Due to the proportions that guest suits assumed, Mr. Peterson pointed out that most states have passed so-called guest statutes.

In considering the effect of these statutes, he said it is important to determine who are the guests, what is the "gross negligence" or the "wilful and

(CONTINUED ON PAGE 35)

Business Men's Assurance Tells New Accident Plans

MANUAL REDUCED BY HALF

Policies Revised and New Forms Offered
—Many Changes Made in Provisions

KANSAS CITY, Aug. 28.—To salesmen of the Business Men's Assurance at their All-Star convention at Troutdale, Colo., personally, and to salesmen in the field by letter, W. T. Grant, president of the company, this week announced important changes in the company's accident and health service.

Optional during September, the changes become effective Oct. 1, and include improvement in policy appearance and phraseology, changes in classification, changes in policy titles, the addition of new policy forms, at the discontinuance of present policy forms, discontinuance of supplements, changes in policy provisions, changes in underwriting rules, changes in rates on accident and health contracts, and simplification of the manual.

Appearance and phraseology of policy forms have been changed to make a more attractive, and a less legal-sounding policy. The classification manual has been reduced from 126 pages to less than 60.

Policy Changes Are Made

The following policy title changes have been made: Business Men's income replaces Business Men's accumulative, Business Men's income special replaces the all star special, etc. Stress has been placed upon income here as it is in selling.

New policy forms include:

Premier accident special, a special form which adds to the regular premier policy \$100 a month additional up to five full months of confinement to a hospital or a nurse's care, and no reduction in benefit after changing occupation or while doing anything more hazardous than regular duties. In other words, when expenses are highest, benefits are doubled.

Income Policy Extended

Guaranteed renewable income special accident. Aggregate period of indemnity increased from 24 months to 25 months and incomes for non-confining sickness is paid up to 12 months, subject to the aggregate indemnity provision. Old form guaranteed renewable is changed so that monthly income is payable for an aggregate period of 50 months. Hospital benefits equal to the monthly income are payable under guaranteed renewable income up to three full months regardless of the length of the exception period.

Death, dismemberment and reimbursement and dismemberment and reimbursement are two other policy forms which have been added and under which housewives and other unemployed women are now eligible under more liberal rates and classification than heretofore.

Changes in policy provisions include: the accumulative feature is discontinued under all policy forms in which it was formerly contained; the period for which income for a non-confining sickness is payable has been lengthened to 12 months; the general provision reducing indemnities at 56 and 61 is omitted from all policy forms except incomes to 70 and guaranteed renewable forms.

Changes in accident and health rates are really a revision and readjustment rather than an increase or a decrease when various classifications are considered.

Edward J. Walsh, Los Angeles manager of the Massachusetts Bonding, has been named to the advisory board of the Civic Center Development League of Los Angeles.

Goes Up a Round



C. J. FITZPATRICK

Clarke J. Fitzpatrick, vice-president of the United States Fidelity & Guaranty, who becomes vice-president and secretary succeeding the late W. W. Symington, won his spurs in the newspaper field. He was city editor of the Baltimore "Sun" for eight years and went with the United States Fidelity & Guaranty in 1920. He is a native of Baltimore, having been born there Oct. 17, 1888. He is a graduate of Maryland College in Baltimore. He is one of the useful men in the U. S. F. & G. organization. He was made an assistant secretary in 1924, and a vice-president in 1927.

Mr. Fitzpatrick graduated with the A.B. degree at Loyola college when he was 19 years of age. The honorary degree of M.A. was conferred on him by this college in 1912. He entered the employ of the Baltimore "Sun" in 1907 as a reporter, later becoming city editor and then news editor. When he went with the United States Fidelity & Guaranty he organized a personnel department. The same year he became assistant to the late Vice-president Symington who took over the secretary's work when R. Howard Bland became president. He continued as Mr. Symington's assistant up to the time of his death. Mr. Fitzpatrick has looked after the company's publications and literature and has been secretary of the board.

U. S. F. & G. Field Men to Rally at the Head Office

BALTIMORE, Aug. 28.—The entire special agency corps of the United States Fidelity & Guaranty is to be brought to the head office in two divisions during the weeks of Sept. 9 and 16. During the two weeks there will be sales conferences in the home office. Subjects will be discussed under the supervision of various home office superintendents, as a result of which a definite sales program will be formulated.

On Thursday of each week there will be a field day at the Annapolis Roads Club.

Ceases Operations

RICHMOND, VA., Aug. 28.—The National Fidelity Protective Company of Virginia, which has been selling liability insurance to beauty shops here, has agreed to cease operations. This decision was reached after company officials had conferred with the state's attorney and officials of the state corporation commission and the state insurance bureau. The company's activities were brought to the attention of the state official by the Virginia Better Trade Association.

"Code-itis" Seems to Be on Increase as Probable Cure

LAW'S BURDEN INSURANCE

Henry Swift Ives Tells of Dangers of
Appealing to Legislatures
for Help

"When insurance men deliberately seek relief from their troubles by calling politicians into their business, they only will have themselves to blame if the politicians abscond with it. Any private enterprise which is so sick that it has to call in a state doctor always will be that doctor's paying patient, whether sick or well."

This was the warning sounded by Henry Swift Ives, special counsel, Association of Casualty & Surety Executives, in his address at the annual convention of the International Association of Insurance Counsel this week at White Sulphur Springs.

Mr. Ives said that up to July 1 there had been introduced this year, in 44 legislative sessions, 3,423 bills affecting in some way the casualty and surety business. Of these 652 were classified as objectionable, that is, if passed, they would have imposed unfair, uneconomic or impractical restrictions. Fortunately few became laws, but those that did simply added to the already heavy load the companies and their agents are carrying.

Forty Bills for State Funds

Forty bills providing for the creation of state funds made their appearance, said Mr. Ives, indicating that state insurance continues to be a live issue. Of these 21 proposed workmen's compensation funds, 14 automobile liability insurance funds and five surety funds. Only two were passed, and both in the surety field.

Twenty-six bills were introduced to increase taxes and three were passed, Connecticut, New York and Utah. Seventeen were for new taxes and none passed.

There were 43 bills dealing with rate regulation. Seven of these became laws.

New Fangled Malady

Among the new fangled maladies listed by Mr. Ives which affect the casualty insurance business was one that might be baptised "code-itis." This disease is spreading, he declared. It is catching. Brokers, agents, commissioners and even lawyers often suffer from it. Only insurance companies seem to be immune. This type of economic distemper usually is accompanied by a high political fever and a considerable amount of unctuous ballyhoo. Those who harbor the germ are veritable "Typhoid Marys."

None of the National Surety Bids Is to Be Accepted

NEW YORK, Aug. 28.—The New York State Insurance Board Tuesday advised Superintendent Pink to recommend to the court that none of the three offers for the purchase of the new National Surety be accepted but that all parties interested, including the three groups which made the offers, be given an opportunity to purchase the corporation upon definite terms to be fixed by the court. The superintendent received a number of requests from responsible persons for additional time in which to submit offers. The recommendation of the insurance board, which Superintendent Pink will follow, will make it possible for all persons interested to make offers for the purchase of the company, provided the court approves the appraisal for a sale on fixed terms. Each of the three bids submitted was in excess of \$7,000,000 but sale of the corporation must have the approval of the New York supreme court.

Claim Men of Continental Casualty Hold Sessions

SEVERAL PAPERS PRESENTED

Conference in Chicago Attended by 130
—M. P. Cornelius and C. H.
Ruttle Preside

About 85 adjusters and claim attorneys from outside of Chicago attended the two-day annual conference of the Continental Casualty in Chicago. The sessions were attended by about 130. The Continental Casualty brings a different group into Chicago for these conferences each year, so that every adjuster and claims attorney of the company attends one of the conferences every three years.

Vice-president M. P. Cornelius opened the meeting and presided at the first session. Vice-president Roy Tuchbreiter talked on cooperation between the agency and the claim department. He was followed by Secretary Frank Grothe, who discussed the relationship between the underwriting and claim departments.

Joseph Bill Is Heard

General Attorney Joseph Bill talked on the improvement that might be made in claim handling and the trial of cases. This completed the formal program for the first morning session and Mr. Cornelius called on several of the guests for remarks, including Joseph F. Hanley of New York, H. W. Pottle of Buffalo, Gerald McLaughlin, Newark, and Commissioner Owen B. Hunt of Pennsylvania, who was formerly claim representative of the Continental Casualty.

C. H. Ruttle, manager of the Chicago claim department, presided at the subsequent sessions. E. Dean Alexander of Detroit presented a paper on questions of bailments for hire and contribution and indemnity. Attorney A. R. Peterson of Chicago read a paper on unusual phases of guest claims and litigation while J. D. Patterson of Wichita discussed the cooperation clause of the standard automobile contract.

George C. Bliss, assistant general attorney at the head office, discussed the construction of the omnibus clause in the standard contract.

Clayton B. Pierce of Oklahoma City discussed in an informal manner the unusual problems arising in compensation claims and litigation.

N. L. Beck, assistant general attorney at the head office, told of shortcomings that might be overcome and discussed how the men in the field could be of more assistance. He said that the day of the ordinary adjuster is gone and the day is here when the attorney and the claim adjuster must be experts.

Harry Hart, claim manager at the head office, was in charge of the details.

Joint Gathering Held

At the Chicago and Milwaukee Surety Underwriters' Associations' joint golf tournament P. O. Olstadt, Chicago manager of the Continental Casualty's surety department, won the prize for the longest drive off the first tee. The low gross honors for the day went to James G. Meigs, of Meigs & Cope, Milwaukee. In the blind bogey three tied for first place, namely R. C. Feldsmith, manager surety department of the Continental Casualty in New York; R. D. Duncan, Fidelity & Deposit, Milwaukee, and E. G. Harnett, Metropolitan Casualty, St. Louis. A total of 32 prizes were awarded. A banquet was held in the evening.

J. F. Connor, formerly operating a local agency in East Chicago, Ind., has been appointed manager of the insurance department of the Greene & Greene Agency, Evansville, Ind., succeeding C. A. Ruff, who has gone with the Frazier Insurance Agency of that city.

Powell Outlines Program for the New Loyal Life

AGENTS GATHER IN BOSTON

Fortieth Anniversary Convention of Loyal Protective Is Enthusiastic Affair—E. B. Fuller Gives Address

BOSTON, Aug. 28.—Announcement of several features in the program for the recently organized Loyal Life—running mate of the Loyal Protective—was made by J. M. Powell, president of both companies, in addressing the 40th anniversary convention of the Loyal Protective here.

Mr. Powell predicted that agents will be able materially to increase their income through producing business for the Loyal Life, without detracting from their accident and health results.

Mr. Powell's address for the most part was historical, tracing the origins of life insurance and accident and health and citing some of the significant developments.

E. B. Fuller Is Heard

Vice-president E. B. Fuller, in his address, expressed the belief that accident and health insurance is the easiest line to sell. It has made rapid growth in the past and there is every reason to believe that it offers a great possibility for the future. He cited recent predictions that several of the large life companies will enter the accident and health field. If this is true, he said, this branch of the business is due for a still greater growth.

With the organization of the Loyal Life, the problem of expense in covering large territory should be solved, he said.

Although the method of selling life insurance will differ in many respects from the procedure in selling accident and health, the principle is the same in building good will, stimulating cooperation, creating confidence, holding undivided attention and putting personality into the interview.

Starting with a burning passion to be a success is the first requisite for making good, he said. There is great difference between the man with a burning passion to accomplish something at any cost and one with a mere desire to make good. A desire is like warm water in a boiler, it will not produce steam. It takes steam and pressure to generate the initiative and inspiration required to be a success in insurance.

Delegates to the convention presented President Powell 1,537 applications for health and accident insurance as a result of the recent president's month contest.

Officers of Life Company

The same officers will be in charge of the Loyal Life, with the addition of C. F. Merifield, formerly of the Connecticut Mutual, as agency instructor.

William Skelton of Hamilton, Ont., F. G. Buehler of Cleveland and J. W. Martin of Spokane responded to the president's address of welcome.

B. A. Heath, secretary and manager of the claim department, talked on settlement of claims and F. C. Thomas of Portland, Ore., on agents assisting the home office in maintaining favorable loss ratios.

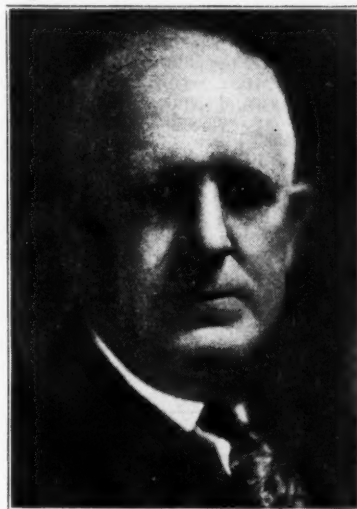
Greetings were brought by Commissioner De Celles of Massachusetts.

W. G. Utman of Ottawa; H. B. Odle of Attica, Ind.; H. L. Peabody, general accountant at the home office, and J. C. Walters of Columbus, were the concluding speakers of the morning program the opening day.

There was a group luncheon after which a visit was paid to the home office and later a trip made to the North Shore with a lobster dinner at Marblehead.

Wednesday Vice President Fuller presided at the morning session and some

O'Neill to View Casualty Situation at Ohio Meet



F. J. O'NEILL

F. J. O'Neill, President Royal Indemnity, will be the closing speaker at the annual convention of the Ohio Association of Insurance Agents, which will be held in Columbus, Sept. 17-18. He will discuss the "General Casualty Situation." Secretary Lloyd has arranged for two committee hearings to be held the first day of the convention, one on finance company insurance and the other on the inland marine definition. President Meek will name members of these committees who will hear anyone who wishes to speak on either subject. These committees will report to the board of trustees which will, in turn, report to the association. An effort is being made to have the Ohio department of insurance adopt the new inland marine insurance definition, but it has not yet done so. The association is desirous of getting all the light it can on the subject. The committee hearings are a new feature and Secretary Lloyd, who is a member of the Ohio senate, is given the credit for introducing them. The association has been studying the finance company insurance question for some time. Secretary Lloyd reports that the advance registration for the convention is the largest in the history of the organization.

22 representatives gave five minute addresses on various phases of the home office and field work. The afternoon was devoted to a sight seeing trip about Boston, Concord, and Lexington, with a dinner in the evening at a country resort.

Thursday's program called for some 15 more short addresses with President Powell presiding and an afternoon of golf, baseball at Braves Field and a beach excursion, with a final banquet.

Meet in Cincinnati Sept. 10

The first fall meeting of the Ohio Association of Casualty & Surety Managers will be held Sept. 10 in Cincinnati. Arrangements for the meeting are being made by F. J. Roelle, manager Fidelity & Deposit in Cincinnati.

Advises Strict Compliance

A. R. Lawrence, chairman of the compensation rating & inspection bureau of New Jersey, has sent a communication to members advising them to conform strictly to the terms of paragraph 7, article 1 of the employers liability insurance act of New Jersey, in canceling compensation policies. Some companies adopt special precautionary measures which are not clearly provided for anywhere and this may lead to complications, he said. For instance, one company requested a return receipt when

Joint Conference Is Held by Massachusetts People

RESOLUTIONS ARE ADOPTED

Producers Seek "Living Compensation" on Writing Compulsory Automobile Liability Insurance

BOSTON, Aug. 28.—A joint conference was held in Boston this week of representatives of the Boston Association of Casualty General Agents, the Massachusetts Association of Insurance Agents and the Insurance Brokers Association of Massachusetts to formulate demands for a "living compensation" for the writing of compulsory automobile liability insurance under the state compulsory act, by agents, brokers and general agents.

Resolutions Adopted

The following resolution was framed and adopted and will be presented to the casualty companies' acquisition cost conference:

"We recommend that there be published in the Boston papers, after the rates have been promulgated, the detailed factors composing the automobile premium dollar; that it be emphasized that the public is beneficiary to the extent of 74.5 cents and that the state, through taxes and bureau, receives 3.5 cents, leaving only 22 cents with which to meet all the expenses of company and agency service. We demand that the acquisition cost committee remedy at this time the reprehensible condition of inadequate commission paid by the companies and provide a living compensation for the producers. Further, that for all coverage, other than statutory, the commission be on the basis paid in all other states."

Scale of Acquisition Cost

Originally the acquisition cost was limited at 17.2 percent. This has been cut to 10 percent, for selling cost and 2 percent for field supervision. Local agents and brokers have been allowed 7 percent in the highest rated zones, 8 percent in most others, and 10 percent in the lowest rated zones. General agents claim they cannot handle the business at less than 8 percent but have been allowed an average of less than half that amount. The profit to the companies allowed is 2.5 cents.

Will Not Take City Business

STEVENS POINT, WIS., Aug. 28.—Because one of its vice-presidents is a member of the board of education, the Hardware Mutual Casualty of this city will accept no more business from the city. The action was announced by President C. N. Jacobs following an opinion that Vice-President N. E. Masterson is a city official while holding the education post. Wisconsin statutes prohibit city officials in doing business with a municipality and the state supreme court has held that the city officer who is also an officer or financially interested in a corporation, is interested directly in whatever contract may be made between the city and the corporation.

According to the opinion rendered to Mr. Jacobs, the company will not have to surrender policies in force when Mr. Masterson took his school board post. However, renewals will not be taken by the company when existing policies expire. City officials estimated that premiums totaling approximately \$3,600 annually were being paid the company.

the cancellation notice was sent by registered mail. There is a court decision holding that the insurer by asking for such a receipt assumed the responsibility of personal delivery to the assured.

The American Reinsurance of New York City on Sept. 7 will move its headquarters to 99 John street in that city.

Long Haul Trucks Must Be Insured Against Liability

LINES LOOK TO RECIPROCATALS

Stock Companies Inclined to Hold Off in California Because of Experience

SAN FRANCISCO, Aug. 28.—As the time approaches for the new law to take effect which will compel the long haul truck operators of California to carry public liability and property damage insurance, various groups in the business are organizing ways and means of writing these lines.

At least six new reciprocal exchanges are in the making, some with papers all prepared, two are actually operating and there are reports of others under consideration.

Local agents are anxious to have the stock companies, which have heretofore refused to write such business, enter the field with rates and safety control regulations. The general feeling is that the companies as a whole will not go after the business unless some definite plan for safety is adopted by the truck people. Several meetings have been held with various trucking associations attended by representatives of conference and non-conference casualty companies, reciprocals, mutuals and agents, without anything definite being accomplished up to the present time.

Commission's Power in Doubt

The companies have considered the business with the impression that as these trucking companies are also placed under the regulation of the California railroad commission, this official body would have power to force the adoption of safety measures. However, it is reported that at a recent meeting with a committee of casualty carriers the commission informed them that this was not a fact, thus leaving the problem still vague. There are, however, a number of the truck operators who are apparently willing to cooperate and install safety measures which might make the business interesting to Bureau companies on a purely experimental basis.

Several leading insurance figures are known to be behind at least two new reciprocals, but have been hampered in completing their organization by lack of interpretation of the new reciprocal law which will force them to maintain much higher assets or guarantee deposits, set at \$100,000.

Vague on Guarantee Sum

This new law also becomes effective Sept. 14 but the stymie comes from the insertion of the word "or" in the new insurance code adopted at the last legislature. This law, before being coded, provided that such a liability reciprocal could commence operations with \$50,000. The insertion of the word "or" between "workmen's compensation" and "public liability" makes the old law now require \$100,000 instead of the \$50,000. The backers of the new reciprocals want a ruling from the insurance department as to the legality of this change in the old law and also an interpretation as to whether the new law will force them to increase their deposit to \$100,000 after Sept. 14 in the event they will be permitted to start with \$50,000.

Ohio Department Warning

COLUMBUS, O., Aug. 28.—The Ohio insurance department has issued a warning against purchasing liability insurance purportedly meeting the requirements of the new motorists' financial responsibility law from agents and companies not licensed in Ohio. The department and the bureau of motor vehicle registration intend to keep a close watch on this phase of the new law.

NEWS OF THE COMPANIES

Reciprocal Use Stock Plan

Arex Indemnity Seems to Have Originated in Complaint of San Francisco Buyers

SAN FRANCISCO, Aug. 28.—Considerable interest attaches in San Francisco to the formation of the Arex Indemnity Company, a \$1,000,000 stock company on the participating plan which has been organized in New York City by Ernest W. Brown, head of several reciprocals and of Ernest W. Brown & Co., Inc., attorney-in-fact, because it appears that it was in San Francisco where the new company had its actual conception. The name "Arex" is composed of the first letters of Associated Reciprocal Exchanges. This is the group that originated individual underwriting or reciprocal insurance and it is noteworthy that when it comes to casualty lines the stock company form is considered more desirable. In liability insurance especially claims drag out over many years and are payable only

out of funds of the members whose policies were in force at the time of the accident. In a reciprocal dealing with important assureds strict accounting is necessary, and new members will be unwilling to pay for old losses.

The decision to branch out into casualty lines seems to date from early in 1934 when Mr. Brown met with a group of local insurance buyers. The dry goods association especially was stirred up by the charge that insurance companies, through acknowledgment and payment of nuisance claims, were making the public "claim conscious." One prominent San Francisco buyer, A. P. Lange, of Hale Bros. Stores, is officially connected with the Arex Indemnity as one of the incorporators.

It is understood that 60 percent of the subscribers of the reciprocals operated by Ernest W. Brown & Co. approved the stock casualty plan and are expected to give the new company their casualty and liability business.

Title of Concern Changed

The title of the Government Employees Underwriters of Fort Worth has

been changed to Government Employees Insurance Association.

Resumes Dividends

Directors of the Pacific Indemnity of Los Angeles have voted to return the company's capital stock to a dividend-paying basis, declaring a dividend of 15 cents a share, payable Oct. 1 and quarterly thereafter, according to Lee A. Phillips, board chairman. In April, 1933, the company was called upon to cease paying dividends by reason of the failure of its reinsuring companies. Since that date, Mr. Phillips said, earnings have been sufficient, together with the improvement in market values of the company's portfolio, to reestablish its surplus at \$1,500,000, and to give a substantial cushion above that figure to warrant a resumption of dividends. Reports submitted to the directors showed that underwriting earnings in July were \$33,000; investment income, \$16,000, and \$66,000 recovery in market value of securities.

Incorporate Republic Mutual

Articles of incorporation have been filed by the Republic Mutual Casualty of Columbus, O. Charles E. Nixon, former president of the Columbus chamber of commerce, one of the incorporators, says the company will specialize in automobile and group hospitalization insurance. A number of prominent Columbus business men, most of them active in the chamber of commerce, are associated with the new company.

Headed for High Month

The Mutual Benefit Health & Accident is headed for its all-time high month since the organization began 25 years ago with more than 28,000 applications turned in at the end of the third week in August.

The American Mutual Liability has established a new office in Jacksonville, Fla. It is in charge of W. H. Monroe and is located at 112 West Adams St.

Presumption Against Suicide Places Burden on Companies

The courts have allowed the use of presumption against suicide to lead them into making strange decisions and placing burdens upon insurance companies in defending these suits which should not be placed upon them, declared R. B. Montgomery, Jr., New Orleans attorney, in a talk before the National Association of Insurance Counsel at White Sulphur Springs, W. Va., on "The Effect of the Presumption Against Suicide Upon the Burden of Proof in Life and Accident Cases."

Mr. Montgomery feels that an effort should be made to get the United States Supreme Court to determine the correct rule that the federal courts should follow as there is a great deal of misunderstanding as to the use of "presumptions" in suicide cases which have resulted due to the interpretation of *Travelers vs. McConkey*, which was decided in 1888. Insurance company attorneys should consider the advisability of removing cases to the federal courts when the state laws are unfavorable. The attorneys should try to prevent the courts in such cases from taking the presumption of suicide and from charging the jury so that burden of proof is on the defendant. The attorneys should introduce the proofs of death and the coroner's verdict to do away with the presumption against suicide. Because of the increase in suicides Mr. Montgomery holds that there is no reason why the courts should show such great respect for the presumption against suicide.

John P. Harris, for 13 years prominent in insurance circles of Oklahoma City, has been made a member of the city school board. Mr. Harris is branch manager for the Mutual Benefit Health & Accident and the United Benefit Life at Oklahoma City.

Solons of Massachusetts Considered Many Measures

INSURANCE BILLS NUMEROUS

Of the 292 Introduced in the Last Legislature 35 Will Become Law

BOSTON, Aug. 28.—The Massachusetts legislature, in the session just ended, made a new record for insurance measures considered. According to a careful tabulation 292 insurance measures were introduced of which 257 were rejected and 35 became law. There were 75 measures relating to the compulsory automobile liability insurance law, of which four became law. There were 67 measures having to do with workmen's compensation of which 14 became law. There were five state fund bills for workmen's compensation and the automobile liability compulsory act, all of which were rejected.

Important Measures Passed

Some of the more important measures passed were:

Authorizing fire companies to combine additional forms of coverage with fire insurance by a rider attached to the standard fire policy.

To prevent the discontinuance of compensation under the workmen's compensation law otherwise than with the written consent of the injured employee.

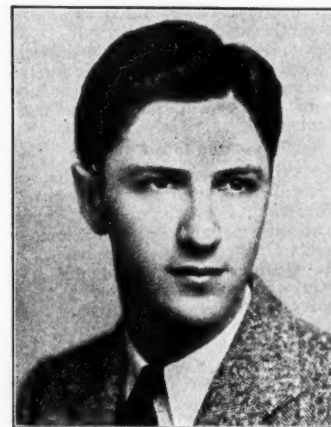
To safeguard and extend the workmen's compensation law by making void contracts or agreements in the nature of insurance which do not insure the payment of the compensation provided for by said law.

Bill enabling insurance companies to contribute more than the total contributions of employees to contributory pension systems.

Bill eliminating compulsory motor vehicle insurance for the benefit of guests of persons whose liability is covered thereby and providing for prompt report and investigation of motor vehicle accidents.

Regular Monday luncheon meetings of the **Sunflower (Wichita, Kan.)** Blue Goose are to be resumed Sept. 9, at which time the annual election will be held.

On the Job



IRWIN MESHER, Seattle, Wash.

Irwin Mesher, executive secretary Washington Insurance Agents League, looks after the details and organization work of that body, which has become very militant and is making itself felt throughout the state. Mr. Mesher was formerly on the staff of the "Underwriters Report" of San Francisco, covering the northwest. In addition to his regular work as secretary he edits the Washington Insurance League "Bulletin," which is one of the best of the state publications.



Ohio Casualty Claim Service enjoys no regular office hours. Night and Day, year in and year out, Company adjusters and claims representatives in 48 States and Canada are on the job, ready at all times to settle claims promptly, satisfactorily, courteously. Ohio Casualty is proud of its claim service—a service which is an important factor in the healthy growth of a progressive company.

Combined with sound structure and a line of profit-making coverages, Ohio Casualty offers an interesting opportunity to agents who desire affiliation with an organization headed definitely in the right direction. Why not write for full details—today?

THE OHIO CASUALTY INSURANCE CO.

Home Office

Hamilton, Ohio

Automobile Accident
Burglary

Full Coverage Automobile

Liability
Fidelity and Surety Bonds

Plate Glass

FIDELITY AND SURETY NEWS

State Plan on Bonds Likely

Alabama Measure to Insure State Officials Gets Through House and Will Probably Pass

BIRMINGHAM, ALA., Aug. 28.—Despite efforts to effect a compromise it now looks as if a bill putting the state of Alabama into the bonding business may become law. A bill authorizing the state to bond state officials at 75 percent of the manual rate, using the state fire insurance fund as a base, has passed the house and is headed for quick action in the senate with administration support.

C. S. Boswell, president of the Alabama Association of Insurance Agents, has dispatched a letter to all members of the association urging them to contact their legislators in an effort to block the bill, but state fund advocates seem to have the situation well in hand.

Governor Bibb Graves inaugurated the plan to put the state in the bond business when some 50 tax collectors found they could not obtain bonds, companies shying around depositor liability as well as possible liability for uncollected taxes. In an effort to compromise the impasse, bills were introduced in the legislature to reduce liability of the companies but so far no headway has been made with the passage of such legislation.

Advise Changes in Milwaukee

Survey Made of Public Officials' Bonds—Adjustments to Meet Liability Is Suggested

MILWAUKEE, Aug. 28.—In a report on a survey made of all Milwaukee municipal departments a readjustment in surety bonds is advised. The study was made by F. D. Madden, manager of the Milwaukee office of the National Surety, and R. A. Boers, of Geo. H. Russell Co., general agents for the Standard Accident, for the city controller.

On the whole, the city is well protected, a summary of the report discloses. The \$20,000 bond of Police Chief Laubenheimer is recommended for cancellation, as he probably is not legally liable for acts committed by officers who handle funds in collection of delinquent taxes. The report states further that nine city boards do not need bonds because of the nature of their duties.

New Bonds Are Suggested

The city treasurer is bonded for \$200,000 and the city controller for \$100,000, the report states. Bond for the deputy controller is recommended, and the public debt amortization commission should be adequately bonded since it has charge of more than \$4,000,000 of securities. Bonds are advised for the fire department chief and secretary of the department in their positions as officials of the firemen's pension fund. The commissioner of public works is bonded for \$25,000, but the deputy commissioner's bond of \$2,500 is recommended for an increase.

Reduction of the \$50,000 bond on the secretary of the board of school directors to \$25,000 is advised. The \$5,000 bonds of the assistant secretary and auditor of the board should be increased to \$25,000. Bonds are suggested for officials of the teachers' annuity and retirement fund and the deputy city clerk, as well as for other individuals who handle or have custody of money, securities or property.

Survey of city officials' bonds grew out of investigations by county departments this spring, following discovery of shortages in several county offices. It also is considered an outgrowth of

irregularities charged to a former city treasurer.

MUST EXAMINE BONDS

Under a new law passed by the Wisconsin legislature and signed by the governor, all bonds of county officers must hereafter be examined as to the amount, form and execution by the district attorney before they are accepted and before the officer takes office. The

statute further provides that "it shall be the duty of the clerk of the circuit court and the county clerk, respectively, to notify in writing the county board or chairman thereof within five days after the entry of any judicial or county officer upon his term of office or employment, stating whether or not the required bond has been furnished. Such notice shall be published with the proceedings of the county board."

Large Administrator Bond

One of the largest administrator's bonds to be written in this country in recent years was executed by the Fidel-

ity & Deposit through its Philadelphia office. The bond, in the amount of \$6,000,000, was written by the F. & D. as the originating company on a co-surety basis with 12 other companies.

Name Bond Fund Secretary

Irl Tolen, deputy secretary of state, has been appointed secretary of the Nebraska state bonding board and he will assist the insurance department in drafting its schedule of rates for state bonds for all public officers.

The McLean Insurance Agency, Corvallis, Ore., has been purchased by Elmer Patrick.



Operating
in 46 States

Condensed Financial Statement of CENTRAL SURETY AND INSURANCE CORPORATION

HOME OFFICE

KANSAS CITY, MO.



Qualified with
U. S. Treasury
Department

As Certified to the U. S. Treasury Department as at June 30, 1935

DENNIS HUDSON, President

ADMITTED ASSETS

Cash	\$ 407,907.88
*Bonds:	
United States Government (direct or guaranteed)	\$1,128,250.43
State and Municipal	1,590,945.64
Railroad	91,133.24
Industrial and Miscellaneous	40,217.06
	2,850,546.37
Total Cash and Bonds	\$3,258,454.25
Corporate Stocks Owned	NONE
Mortgage Loans on Real Estate, First Liens	426,311.87
Premiums in Course of Collection (under 90 days)	688,446.95
Real Estate Owned	205,957.61
Accrued Interest on Investments	37,760.89
Other Admitted Assets	22,572.98
TOTAL ADMITTED ASSETS	\$4,639,504.55

*Market Value of bonds at June 30, 1935 exceeded Statement Value by \$124,018.92.

LIABILITIES

Reserve for Unearned Premiums	\$1,240,517.22
Reserve for Losses, Property Damage, Plate Glass, Burglary, Bonds, etc.	\$ 189,561.46
Reserve for Liability and Compensation Losses (Schedule "P")	1,152,902.37
	1,342,463.83
Reserve for Commissions (not yet due)	178,873.17
Reserve for Taxes and Other Items Payable	75,065.41
Total Reserves	2,836,919.63
Capital	\$1,000,000.00
Surplus	802,584.92
Surplus to Policyholders	\$1,802,584.92
TOTAL LIABILITIES	\$4,639,504.55

For the twelve months period from July 1st, 1934, to June 30th, 1935, the increase in cash and bonds was \$415,141.52; the increase in admitted assets was \$344,306.44; the increase in reserves was \$163,214.16 and the increase in surplus was \$181,092.28.

CHANGES IN CASUALTY FIELD

Travelers Announces Changes

Managership Appointments Affect O. J. Evans, George R. Summerton and Kenneth R. Webb in Three Points

Changes in three branch office managerships, casualty lines, have been announced by the Travelers, affecting St. Louis, Toledo and Atlanta. The new appointments include O. J. Evans, who goes from St. Louis to Toledo as manager; G. R. Summerton, who goes from Toledo to Atlanta as manager, and Kenneth R. Webb, who goes from Atlanta to St. Louis as manager.

Mr. Evans has served as manager of the Travelers office in St. Louis since April 1, 1923. Prior to that time he had been manager at Oklahoma City and assistant manager in Chicago. He joined the company on Jan. 13, 1919.

Mr. Summerton became manager in Toledo on Feb. 23, 1921, and before his appointment in that capacity, he had served as assistant manager and special agent in the Cleveland office. He went with the Travelers Dec. 9, 1918.

Mr. Webb's service as manager at Atlanta began on Jan. 23, 1932. Previously to that time, he had been manager in Omaha, Denver and assistant manager at Minneapolis. He first was associated with the Travelers as a field assistant in Omaha in 1923.

R. F. Holz in New Connection

Russell F. Holz, for the last five and a half years with the American Surety at Cleveland, has now become attached to the branch office of the Massachusetts Bonding in the same city. He will be occupied chiefly with the development of business throughout the state.

Selling assistance that builds business

The Buckeye Union organization is a valuable aid to every agent. Its selling assistance actually builds business for its representatives.

Would you like to know how The Buckeye Union can help you build a larger, more substantial volume? Write to the home office today. There is no obligation.

Territory in Ohio

THE
**Buckeye Union
Casualty Company**
515 E. Broad St.
Columbus, Ohio

Teeple Goes to Head Office

Changes Are Announced at Detroit Branch of the United States Fidelity & Guaranty

Kenneth S. Teeple has resigned as assistant manager of the Detroit office of the United States Fidelity & Guaranty, to go to the home office in Baltimore, to become assistant superintendent of the judicial department. He has been associated with the Detroit office for the past 15 years.

Charles L. Hoffman, city sales manager of the Detroit office, becomes director of production for the entire state.

James S. Fenwick, superintendent of the bond department for the past 10 years, becomes assistant manager. Harold P. Reinhold has been appointed superintendent of the bond department.

D. P. Spotts Resigns Ocean Job

D. P. Spotts has resigned as associate manager of the fidelity and surety department of the Ocean Accident and Columbia Casualty. He has not announced his future plans. He has been with the two companies for the last 11 years. Before that he was in the bonding department of the Fidelity & Casualty.

Weber to Join Lumbermen's

C. J. N. Weber who for ten years has been connected with the Metropolitan Casualty and Commercial Casualty, is to become connected with the Lumbermen's Mutual Casualty as claims examiner at the head office in Chicago. He started with the Metropolitan Casualty in 1926 and shortly was made manager of the surety claims

department, later being appointed superintendent of claims for the surety and casualty department in Illinois. When the offices of the Commercial Casualty and Metropolitan Casualty were combined in Chicago in 1930, Mr. Weber was transferred to Detroit as superintendent of claims for both companies where he has been located since that time. He is an attorney and member of the Illinois bar.

Blackwell With Herrmann & Co.

C. C. Blackwell has joined the George Herrmann & Co. agency of Chicago, and will engage in production work among agents and brokers in the surety lines. Mr. Blackwell is well known in the city. He was manager there for some time for the Public Indemnity. Since that company failed, he has been operating as a broker and then for a time had a special arrangement with the Preferred Accident in the forgery department.

At the same time George Herrmann & Co., announces that it has taken on the representation of the Continental Casualty on a general agency basis and this will be the principal casualty-surety connection of Herrmann & Co.

Opens Branch at Albany

The National Surety announces the opening of its Albany branch at 112 State St. C. R. Royer has been appointed manager in charge with S. M. Wrightson as assistant manager. The branch will supervise a large portion of New York State as well as New Hampshire, Vermont and western Massachusetts.

Claim Manager Resigns

A. M. Tucker has resigned as claim manager at the head office of the American Casualty of Reading, Pa.

Lesnel Venables, Los Angeles, has resigned as special agent in southern California for the Superior Indemnity Association of Los Angeles.

CASUALTY PERSONALS

G. B. Slattengren, vice-president of the Seaboard Surety at the head office, is in the Passavant Hospital in Chicago, recovering from the effect of an operation that was designed to give him more complete use of an arm that was fractured in an accident in Chicago some time ago. Early indications are that the operation will produce the desired result. Mr. Slattengren until recently was manager of the Seaboard Surety at Chicago.

E. C. Stone, United States manager of the Employers Liability, is in Minneapolis this week. He took advantage of the fact that Mrs. Stone, as a member of the executive committee of the Women's Golf Association, is attending the national tournament in Minneapolis, to make a visit to the middle west. On his way to Minneapolis, Mr. Stone stopped in Chicago for a conference with fire and casualty field men of Illinois, Iowa and Wisconsin. He spoke at a dinner attended by about 40 of his company people there, presided over by Chicago Manager George F. Douaire. On his return, Mr. Stone plans to stop in Milwaukee.

R. E. Kenyon, Jr., secretary of Chicago Lloyds, is leaving for a trip of about four weeks to England. President R. E. Kenyon returned just recently from a visit to England.

C. S. Drake, president of the Empire Life and Accident, who suffered a nervous breakdown three weeks ago, while still in a critical condition, is holding his own. His illness is attributed to his diligent devotion to business from which he seldom turned aside for even a brief vacation. High blood pressure, coupled with the very hot weather sev-

eral weeks ago, caused his collapse and he has been confined to his bed since. It will be several months at least before he can resume his work.

R. W. Forsyth, vice-president Indemnity of North America, with headquarters in San Francisco, is in the Pacific northwest on an agency inspection tour.

Roy Vaughn, 31, formerly branch manager of United Pacific Casualty at Seattle, lost his life while swimming at Stockton, Cal. Mr. Vaughn had been with the company for five years, in Seattle, Everett, Spokane, Portland and Sacramento.

Commissioner O. B. Hunt of Pennsylvania was in Chicago attending a roundup of claim representatives of the Continental Casualty. Mr. Hunt, before being appointed insurance commissioner, was eastern claim representative of the Continental Casualty with headquarters at Philadelphia. He was one of the speakers at the Chicago session.

Paul M. Bowen, vice-president Standard Accident, and Mrs. Bowen returned to Detroit last week from an extended trip through England and Ireland.

The condition of Dr. C. C. Criss, president of Mutual Benefit Health & Accident and United Benefit Life, was reported at the home office in Omaha vastly improved. Dr. Criss is confined in Northwestern hospital at Minneapolis where he was taken two weeks ago for an emergency appendectomy.

H. A. Behrens, president Continental Casualty and Continental Assurance of Chicago, who has spent the summer at his summer home on Belvidere Island

in San Francisco Bay, is slated to be at his office the morning of Sept. 9 to take up the arduous duties of the season.

C. W. G. Bailey, assistant manager in charge of the agency department at the head office of the Ocean Accident, is on a middle western visit. He stopped first in Chicago and then went to Des Moines and Kansas City.

If Col. Lewis B. Ballantyne, the Essex county, N. J., Democratic candidate for state senator, is elected, it will mean that two employees of the Commercial Casualty will be serving in the New Jersey senate at the same time. At the present time Winant Van Winkle, vice-president and general manager, is a state senator.

Bank Robbery Picture Is Far From Rosy, Iago Says

(CONTINUED FROM PAGE 29)

that the rates for residence burglary insurance have been somewhat higher than the loss ratio on such insurance has actually necessitated. As a result rate wars have been in progress in various places such as, for example, Chicago. On page 29 of the July 25 issue of THE NATIONAL UNDERWRITER there appeared an article referring to this rate war in Chicago on residence burglary insurance. None of the rate-cutters has been writing a substantial volume of bank burglary and robbery insurance and consequently has had no underwriting loss to offset.

Reductions Being Forced

"The activities of these rate-cutters have forced the bureau companies to reduce rates for residence burglary insurance in Chicago, Detroit and various other places and they may soon force further reductions. So that in the very near future it may be necessary for bank burglary and robbery insurance, as such, to stand on its own feet and carry its own loss load without borrowing from the profits on residence burglary insurance. If that happens then it is quite possible that the present rates for bank burglary and robbery insurance will prove to be inadequate. Instead of decreases, it is possible that increases might actually be in order in such circumstances.

"Certainly it will be most unwise for the companies to continue to depend upon the profit from residence burglary insurance to absorb all mistakes and inadequacies. On page 28 of the July 25 issue of THE NATIONAL UNDERWRITER there appeared a very brief but very interesting article headlined 'Loss Payments Lag Behind Accident Frequency Today.' That is quite true in the case of residence burglary insurance. This branch has been extraordinarily profitable during the past five years despite a steady increase in loss frequency. The profit has resulted, not from inactivity of thieves or any reduction in the number of losses, but rather from the prevailing bankruptcy commodity prices. Claims are settled upon the basis of prevailing cash values. A sudden and sharp increase in values could, in the space of a couple of weeks, change this from a very profitable to a very unprofitable class of business even though there were no coincidental increase in the number of losses. Actually, of course, a sharp increase in values always causes some increase in the number of burglaries and thefts.

"If residence burglary insurance were changed from a profitable to an unprofitable class as a result of the sharp increase in the number of thefts there would be wide-spread comment. Newspapers would fulminate editorially. Clergymen would preach stirring sermons about the crime wave. Politicians would seize upon it as a false issue to divert public attention away from real evils. Of course, nothing like that seems to be in prospect. But a sudden and sharp increase in values which might easily result from the financial policies of the present administration could bring about the same disastrous consequences.

(CONTINUED ON LAST PAGE)

Analysis Made of Guest Law Issues

(CONTINUED FROM PAGE 29)

wanton misconduct" which imposes liability on the host and what are the defenses to an action brought by a guest against his host.

Most of the statutes specify a guest, "without payment for such ride." This is to distinguish between the sort of a guest who is entertained in one's house or table and the sort of a guest who lodges, boards or receives refreshments for pay at a hotel, etc.

The question arises whether one who shares in the expense of the gasoline and oil ceases to be a guest. The answer, according to Mr. Peterson, depends on whether the agreement is a contractual business agreement or whether it is a "Dutch treat" social arrangement. If it is the former, the passenger is not a guest; if it is merely a social arrangement, he is a guest. One agreement is in the domain of law; the other falls outside of that domain into that of unenforceable social agreement.

Distinction Is Important

Mr. Peterson said this distinction is one that runs through the cases and he predicted that it will be noticed increasingly as the field of guest-law develops.

The important element in taking a case out of the guest statute is the existence of a contract. The method of payment is not of importance if the agreement for transportation is contractual in nature. The mere fact of some payment, such as sharing in the expenses, should not turn a guest into the role of a passenger for hire so long as the agreement is a social one.

It is to be expected, he said, that efforts will be made to deprive the guest statutes of their protective force by trying to conjure up wherever possible a valuable consideration for the transportation furnished a guest-passenger.

The theory of all the statutes is that some negligence or misconduct above and beyond simple negligence shall be necessary to impose liability where the suit is brought by a guest of the defendant.

Mr. Peterson confined himself to the Illinois law as illustrative of the development of the guest statute, as to the degree of negligence required to impose liability and as to the defense of charges of wilful and wanton misconduct.

Gross Negligence Test

For practical purposes, he said, under all guest statutes the test to be applied is one of gross negligence, defined as such recklessness or want of care as raises the inference that the defendant is consciously indifferent to the consequences which may result to others because of his conduct. This sort of gross negligence is almost impossible of more specific definition so that the whole question is usually thrown into the lap of the jury to decide under instructions containing mere general definition.

Whether the violation of a statute or ordinance is alone sufficient evidence of wilful and wanton misconduct to require in all cases the submission of the question of wilfulness to the jury is one of the most interesting questions. The supreme court of Illinois has held in a number of cases that such violation is not prima facie evidence.

In about 75 percent of the guest cases the charge of wilfulness was sought to be made by proof of excessive speed.

The principle is firmly established that a passenger must use due care for his own safety. The conflict in the decisions is on the question of what due care of a passenger is. The passenger is bound to exercise such care for his own safety as the attendant circumstances require of a reasonable man.

The negligence charged against the driver is frequently the failure to maintain a proper lookout.

It is important to show if possible that the passenger was in a favorable position to see the danger which resulted in the accident and to warn the driver. If the passenger is on the front seat, the chance of defending is much greater than if the plaintiff had been sitting in the rear seat.

An important question is whether the passenger, acquiescing in an excessive rate of speed, is negligence on the part of the passenger.

It is important for the adjuster to tie down with signed statements not only the speed of the automobile, but the length of time that the car had been going at this speed, whether the driver was previously on the same trip and guilty of similar excessive speed and if so, for how long and particularly that the passenger did not make a protest.

The duty of the guest to make a protest against excessive speed has become quite well known and Mr. Peterson declared that in many cases where the host has liability insurance both the host and guests invent the evidence that the guests made a protest against excessive speed. This may be combated by getting signed statements promptly and to show by the signed statements facts proving the guest had an opportunity to leave the car after he became aware of the high rate of speed. The witnesses are likely to exaggerate both the amount of protest made by the passenger and the rate and duration of the driver's speed and it is frequently possible to show that if the driver had been guilty of excessive speed for the period of time claimed by the plaintiff, the plaintiff had plenty of opportunity to make his protest effective.

Driver's Negligence

Among the examples of the driver's negligence it may be shown that the passenger has acquiesced in driving while intoxicated, driving on the wrong side of the street, driving without adequate headlights, driving the wrong way on a one way street and engaging in a race or speed contest.

The guest statute not only provides that wilful and wanton misconduct is sufficient to impose liability, but it requires that this misconduct must contribute to the injuries complained of. Even though an accident be illegal, it is not a ground of recovery unless it in some way proximately contributed to cause the accident.

In a recent appellate court case in Illinois, the plaintiff-guest charged the driver with wilful and wanton misconduct in driving at 50 miles an hour on a state highway when the pavement was damp. The defendant's car collided with an auto coming from the opposite direction. The appellate court concluded that the preponderance of the evidence showed that the proximate cause of the accident was the fact that the oncoming car slipped off the pavement to its right and then swerved to its left and struck the defendant's car while the defendant was on his own side of the road. The court, therefore, held that the proximate cause of the accident was not any wilful and wanton misconduct.

Illinois Case Cited

The decisions, so far, he said, strengthen the conclusion that the plaintiff ought not to be permitted to recover from a defendant whose conduct was no worse than that of the plaintiff himself. Just recently the appellate court of Illinois handed down a decision holding that a guest who is guilty of the same sort of wilful and wanton misconduct as his host cannot recover damages for injuries in an automobile accident caused by such wilful and wanton conduct of the host. The case was Willgeroth vs. Maddox. Both guest and host were killed. They were killed when the automobile was struck by a train. The court found that they both had equal opportunity to observe the approaching train. "It is our opinion,"

the court stated, "that where the plaintiff charges the defendant with wilful and wanton misconduct as being the proximate cause of injury to him, and the defense charges that the plaintiff was also guilty of wilful and wanton misconduct which was the proximate cause of the injury, then the same is a good defense, and bars the action if proven."

Mr. Peterson expressed the belief that the same principles which have been applied in determining whether the guest has been guilty of contributory negligence where the defendant is charged with simple negligence will be applied by the courts in determining whether the guest has been guilty of contributory wilfulness and wantonness.

Birmingham Campaign Aimed at Damage Suit Racketeers

BIRMINGHAM, ALA., Aug. 28.—A campaign similar to one conducted in Atlanta has been inaugurated in Birmingham to rid the city of damage suit racketeers who are largely blamed for auto liability insurance rates which are said to be 50 percent higher than in other cities of like size.

At a mass meeting held this week un-

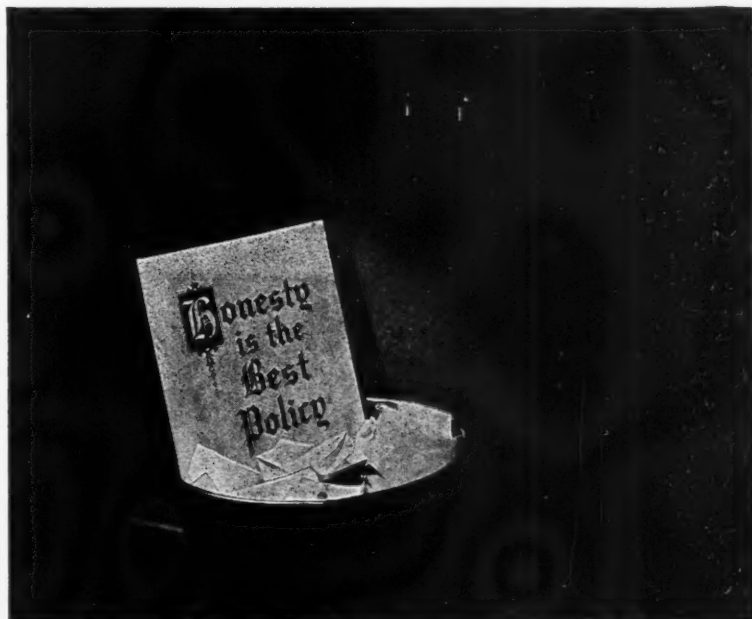
der the sponsorship of the chamber of commerce and the Birmingham Association of Insurance Agents Judge Walter McElreath and Solicitor John A. Boykin of Atlanta told of results obtained in an 18 months campaign in that city. Sixteen persons, three of them attorneys, have been tried and convicted in Atlanta and 15 others, four of them lawyers, are now under indictment. They reported that the people of Atlanta had been saved an estimated \$500,000 and that the damage suit expenditures of one concern alone had dropped \$200,000 in 12 months.

The plan in Birmingham is to employ a special investigator who will work out of the solicitor's office in an effort to track down professional filers of fake claims. J. L. Wilkey, independent adjuster, has already done considerable work in analyzing claims for various corporations, with agents and other adjusters cooperating.

The committee of the Birmingham local board which helped to initiate the campaign was composed of President James B. Morgan, Charles van Cornell, Charles L. Gandy and Ed S. Moore.

Mrs. Zena Leatherman, 39, underwriter of the San Francisco offices of the United States Fidelity & Guaranty for more than 10 years, died. She was an expert on customs and internal revenue business.

ONE LOSS



is too many

Greed or need tempt even "old and trusted" employees into misappropriations that bite heavily into capital or profits. Many business and banking houses have been thus financially shocked out of solvency or credit standing—often, out of existence. A single loss may be too many.

In every business, the possibility of employee dishonesty is a dangerous liability—yet the balance sheet never shows it till the damage is done. With many concerns entirely unprotected, with banks and financial institutions inadequately covered, your field for National Surety Fidelity Bonds is large and, if cultivated, will be profitable.

Our home-office cooperation, our surveys for clients of National Surety agents and our new Sales Kit on Fidelity Bonds, offer practical aid in increasing your premium income through the sale of Fidelity Bonds.

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The court held it was impossible to escape the conclusion that all the parties to the transaction contemplated that the original plans and specifications might not be strictly adhered to, but might be modified subject to the approval of the American company and without the assent of the Maryland Casualty if the modifications did not increase the cost of construction. Since the cost of construction was not increased it was difficult to see how the Maryland Casualty had been in any way prejudiced.

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Loss Occurred After Assured Cancelled But While Negotiations for Return Premium Were in Progress

An insured who suffers a loss after having ordered policies canceled but while negotiating for a return of the premiums, does not have a claim against the insurer other than that of creditor for the amount of the unearned premium, according to the South Carolina supreme court in *Hicklin vs. State Farm Mutual Automobile*.

Brady, an agent for the State Farm Mutual, solicited the liability insurance on six trucks and one sedan owned by Hicklin. Hicklin agreed to take the insurance provided the State Farm Mutual would write all of his cars and thereupon paid to Brady \$35, being the membership fee of \$5 per motor vehicle. The State Farm Mutual sent Hicklin the policy covering the sedan and advised him they would not write the trucks. Hicklin then notified the State Farm Mutual he did not want the insurance and demanded the return of his money. The State Farm canceled the policy and sent the return premium except the \$35 membership fee, but stated that Brady would return the \$35. This Brady failed to do.

Hicklin later wrote to Brady advising he had been in an accident and as a result two people were injured. The State Farm Mutual declined to assume any liability. The court held there was never a meeting of the minds of the parties to the contract and therefore the policy was never in effect. The policy provided that either the insured or insurer could cancel by written notice and this was the method used by Hicklin to cancel and disclaim any contract with the State Farm Mutual.

Multiple Claims Settlement

The Massachusetts supreme judicial court has found that a person injured by the negligence of another does not have such a right in the proceeds of a compulsory automobile liability insurance policy as gives him a standing in court to enjoin the insurer from settling with other persons, who are injured in the same accident, to the exclusion of the plaintiff, and thereby exhaust the

fund to which the plaintiff might otherwise look. The case was *Bruyette vs. Sandini, et al.* The court held that the settlement of part of multiple claims is permissible under the policy and the statute and does not constitute an inequitable preference and is not contrary to public policy.

Bonds Not Properly Given

Laborers and Materialmen Have No Recovery on Job Financed by U. S. for Howard University

Efforts of laborers and material men to recover against bonds given in connection with the erection of buildings by the United States government at Howard University proved unsuccessful when the District of Columbia court of appeals found that the Secretary of the Interior had no authority to take a bond under the Hurd act. The case was *Miatco Construction Company vs. United States ex rel. Phelps et al.*

In 1930, the Miatco company entered into contract with the United States for the erection of three dormitory buildings at Howard University. The new defunct Consolidated Indemnity executed the statutory bonds. The contract obligated the contractor to furnish all labor and material and perform all work and included the provision: "Unless otherwise provided in the specifications, partial payments will be made as the work progresses at the end of each calendar month. All material and work covered by partial payment made shall thereupon become the sole property of the government."

The court held that Howard University is a private institution and its right and title to its buildings is not affected by the fact that many of them may be the result of the generosity of the national government. Its rights and powers and liabilities are fixed by its charter and the laws in relation to private corporations. The buildings involved are neither public buildings nor public works and the bonds were not within the provisions or contemplation of the Hurd act. The acts of Congress appropriating money for the building of the dormitories did not create any title in the United States in the buildings either in process of erection or when erected and the provision of the contract that title should vest in the United States as payments were severally made is wholly ineffective to accomplish that result.

Insurer Wins in Warranty on Past Cancellation Case

The National Union Indemnity has been absolved of liability under an automobile liability policy on the ground of breach of the warranty to the effect that no company has canceled or refused to issue any kind of automobile insurance for the assured during the past three years. That decision was rendered by the United States circuit court of appeals for the ninth circuit (California) in *Eddy, et al. vs. National Union Indemnity*.

Carfagni was the assured. While operating his automobile, he struck and killed Mary Elizabeth Eddy. Her heirs recovered a judgment of \$15,900 against Carfagni and when he did not pay the heirs brought action against the insurer.

The trial court found that five automobile policies issued to Carfagni within three years prior to the issuance of the National Union Indemnity policy had been canceled. The higher court held that the assured is bound by the warranty.

the inventory. There is no escaping the conclusion that the invoices were padded; if false book entries were made, Jake Marachowsky, the president of the Juneau Store Company, knew it. Judgment of the lower courts in favor of the Juneau Store Company was reversed and a new trial ordered.

Insurer Wins Under Vacancy

Intention of a family to return and occupy a property, does not change the effect of the ten day vacancy or unoccupancy clause, according to the Pennsylvania superior court, western district, in *Kinneer vs. Southwestern Mutual Fire*.

Brown lived in the house owned by Kinneer and insured by the Southwestern Mutual Fire until Nov. 10, 1931, when he moved his family to the home of his father-in-law and went to a hospital, expecting to be gone five or six days. He notified Kinneer. The furniture was left in the house. From Nov. 10 to Nov. 23, the date of the fire, no one stayed in the house.

The higher court held the mere presence of furniture is not occupancy. For 13 days neither the tenant nor his family had returned. He and his family had ceased to live in the house, they took up their abode elsewhere, hence, as a dwelling, it was unoccupied.

Allows Policy Reformation

The Pennsylvania supreme court, eastern district, in *Overholt et al. vs. Reliance et al.* has allowed reformation of a policy to include the standard mortgage clause instead of merely the simple loss payable clause on the ground that for several years the policy covering the particular property had contained the standard mortgage clause, but that the policy in existence at the time of the loss contained only the simple mortgage clause.

The insured read the original policy and found its provisions satisfactory. When, thereafter, they received a policy which the agent sent to them as a renewal, they had a right to take it for granted that it was a renewal, according to the court. When the Reliance inquired through its agent whether the policy was to be renewed, this was an offer to make a new contract. In the absence of circumstances to indicate that a different meaning was intended, this meant a contract chronologically new but in form and substance, identical with the original.

FIRE & MARINE

Assured's Interest Transferred

New Jersey Supreme Court Absolves Phoenix of Hartford of Liability in Fire Loss

The New Jersey supreme court has absolved the Phoenix of Hartford of liability for a loss to personal property on the ground that the interest of the insured in the furniture was transferred in violation of the policy provision. The case *Krieg vs. Phoenix of Hartford*.

Krieg was the insured and had occupied the structure in which the furniture was located for four years before the fire. On Oct. 1, 1930, Krieg rented the premises to another as a dwelling. There was no written lease. On Nov. 13 of that year a fire occurred. The tenants were engaged in the illegal manufacture of liquor and the Phoenix contended this constituted a violation of the warranty and vitiated the policy. On that score, however, the court held that

the policy was not vitiated because the fact that of the operation of the still was unknown to Krieg. However the court did find the policy provision was violated when Krieg transferred her interest and possession in the furniture.

Findings Can't Be Reconciled

The finding of a jury that there was a loss to the assured of \$33,000 when the assured set forth a claim showing damages of \$73,000, and also the finding that the assured did not falsely state the amount of the loss with intent to defraud the insurer, cannot be reconciled, the United States circuit court of appeals for the seventh circuit (Wisconsin) declared in *American Home Fire et al. vs. Juneau Store Company*.

There is no basis, the court found, to explain the difference in the amount claimed in the proof of loss and the amount found by the jury as the loss sustained. The insurers attacked the accuracy of the inventory rather than the value of the articles appearing in

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Loss Occurred After Assured Cancelled But While Negotiations for Return Premium Were in Progress

An insured who suffers a loss after having ordered policies canceled but while negotiating for a return of the premiums, does not have a claim against the insurer other than that of creditor for the amount of the unearned premium, according to the South Carolina supreme court in *Hicklin vs. State Farm Mutual Automobile*.

Brady, an agent for the State Farm Mutual, solicited the liability insurance on six trucks and one sedan owned by Hicklin. Hicklin agreed to take the insurance provided the State Farm Mutual would write all of his cars and thereupon paid to Brady \$35, being the membership fee of \$5 per motor vehicle. The State Farm Mutual sent Hicklin the policy covering the sedan and advised him they would not write the trucks. Hicklin then notified the State Farm Mutual he did not want the insurance and demanded the return of his money. The State Farm canceled the policy and sent the return premium except the \$35 membership fee, but stated that Brady would return the \$35. This Brady failed to do.

Hicklin later wrote to Brady advising he had been in an accident and as a result two people were injured. The State Farm Mutual declined to assume any liability. The court held there was never a meeting of the minds of the parties to the contract and therefore the policy was never in effect. The policy provided that either the insured or insurer could cancel by written notice and this was the method used by Hicklin to cancel and disclaim any contract with the State Farm Mutual.

Multiple Claims Settlement

The Massachusetts supreme judicial court has found that a person injured by the negligence of another does not have such a right in the proceeds of a compulsory automobile liability insurance policy as gives him a standing in court to enjoin the insurer from settling with other persons, who are injured in the same accident, to the exclusion of the plaintiff, and thereby exhaust the

fund to which the plaintiff might otherwise look. The case was *Bruyette vs. Sandini, et al.* The court held that the settlement of part of multiple claims is permissible under the policy and the statute and does not constitute an inequitable preference and is not contrary to public policy.

Bonds Not Properly Given

Laborers and Materialmen Have No Recovery on Job Financed by U. S. for Howard University

Efforts of laborers and material men to recover against bonds given in connection with the erection of buildings by the United States government at Howard University proved unsuccessful when the District of Columbia court of appeals found that the Secretary of the Interior had no authority to take a bond under the Hurd act. The case was *Miatco Construction Company vs. United States ex rel. Phelps et al.*

In 1930, the Miatco company entered into contract with the United States for the erection of three dormitory buildings at Howard University. The now defunct Consolidated Indemnity executed the statutory bonds. The contract obligated the contractor to furnish all labor and material and perform all work and included the provision: "Unless otherwise provided in the specifications, partial payments will be made as the work progresses at the end of each calendar month. All material and work covered by partial payment made shall thereupon become the sole property of the government."

The court held that Howard University is a private institution and its right and title to its buildings is not affected by the fact that many of them may be the result of the generosity of the national government. Its rights and powers and liabilities are fixed by its charter and the laws in relation to private corporations. The buildings involved are neither public buildings nor public works and the bonds were not within the provisions or contemplation of the Hurd act. The acts of Congress appropriating money for the building of the dormitories did not create any title in the United States in the buildings either in process of erection or when erected and the provision of the contract that title should vest in the United States as payments were severally made is wholly ineffective to accomplish that result.

FIRE & MARINE

Assured's Interest Transferred

New Jersey Supreme Court Absolves Phoenix of Hartford of Liability in Fire Loss

The New Jersey supreme court has absolved the Phoenix of Hartford of liability for a loss to personal property on the ground that the interest of the insured in the furniture was transferred in violation of the policy provision. The case *Krieg vs. Phoenix of Hartford*.

Krieg was the insured and had occupied the structure in which the furniture was located for four years before the fire. On Oct. 1, 1930, Krieg rented the premises to another as a dwelling. There was no written lease. On Nov. 13 of that year a fire occurred. The tenants were engaged in the illegal manufacture of liquor and the Phoenix contended this constituted a violation of the warranty and vitiated the policy. On that score, however, the court held that

the policy was not vitiated because the fact that of the operation of the still was unknown to Krieg. However the court did find the policy provision was violated when Krieg transferred her interest and possession in the furniture.

Findings Can't Be Reconciled

The finding of a jury that there was a loss to the assured of \$33,000 when the assured set forth a claim showing damages of \$73,000, and also the finding that the assured did not falsely state the amount of the loss with intent to defraud the insurer, cannot be reconciled, the United States circuit court of appeals for the seventh circuit (Wisconsin) declared in *American Home Fire et al. vs. Juneau Store Company*.

There is no basis, the court found, to explain the difference in the amount claimed in the proof of loss and the amount found by the jury as the loss sustained. The insurers attacked the accuracy of the inventory rather than the value of the articles appearing in

Insurer Wins in Warranty on Past Cancellation Case

The National Union Indemnity has been absolved of liability under an automobile liability policy on the ground of breach of the warranty to the effect that no company has canceled or refused to issue any kind of automobile insurance for the assured during the past three years. That decision was rendered by the United States circuit court of appeals for the ninth circuit (California) in *Eddy, et al. vs. National Union Indemnity*.

Carfagni was the assured. While operating his automobile, he struck and killed Mary Elizabeth Eddy. Her heirs recovered a judgment of \$15,900 against Carfagni and when he did not pay the heirs brought action against the insurer.

The trial court found that five automobile policies issued to Carfagni within three years prior to the issuance of the National Union Indemnity policy had been canceled. The higher court held that the assured is bound by the warranty.

the inventory. There is no escaping the conclusion that the invoices were padded; if false book entries were made, Jake Marachowsky, the president of the Juneau Store Company, knew it. Judgment of the lower courts in favor of the Juneau Store Company was reversed and a new trial ordered.

Insurer Wins Under Vacancy

Intention of a family to return and occupy a property, does not change the effect of the ten day vacancy or unoccupancy clause, according to the Pennsylvania superior court, western district, in *Kinneer vs. Southwestern Mutual Fire*.

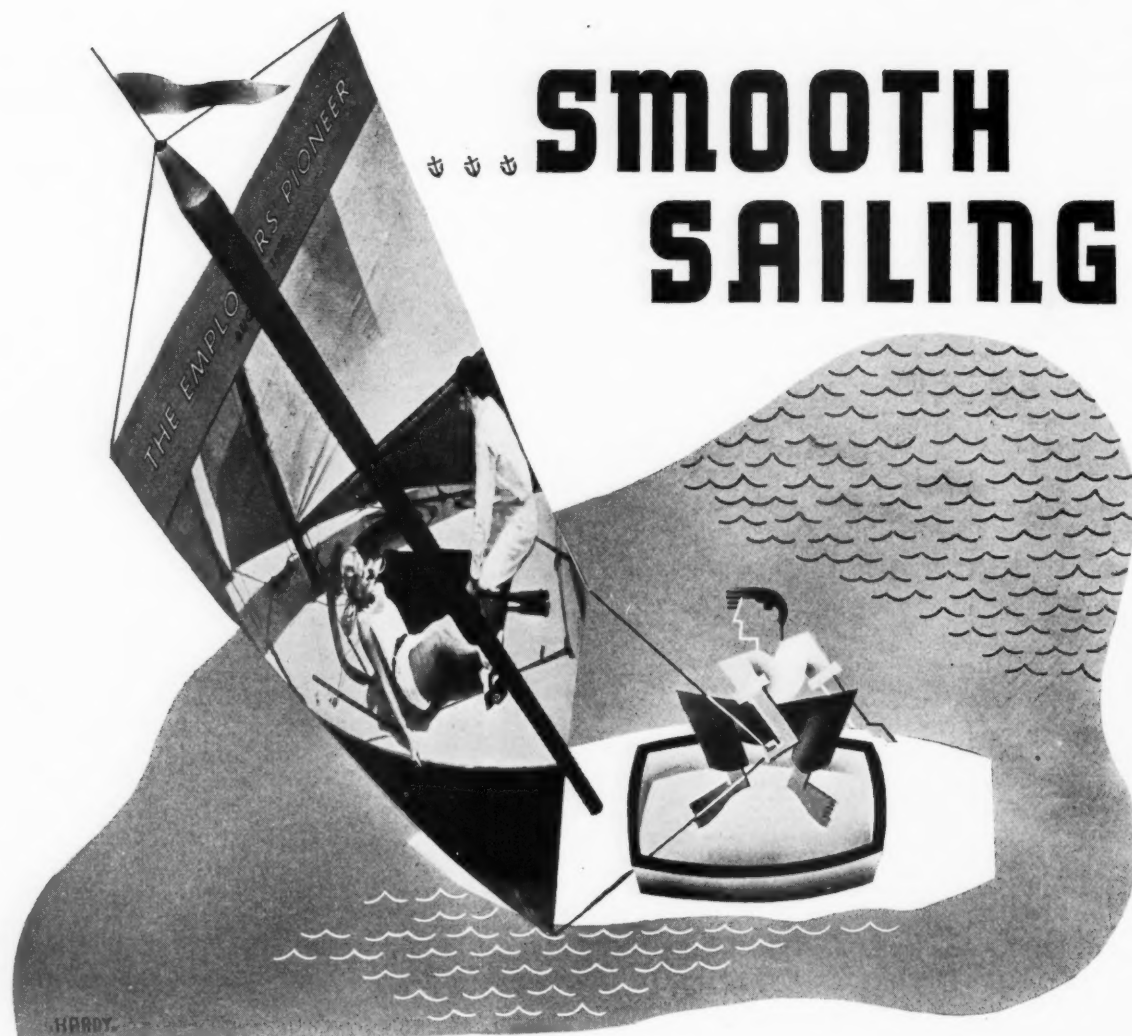
Brown lived in the house owned by Kinneer and insured by the Southwestern Mutual Fire until Nov. 10, 1931, when he moved his family to the home of his father-in-law and went to a hospital, expecting to be gone five or six days. He notified Kinneer. The furniture was left in the house. From Nov. 10 to Nov. 23, the date of the fire, no one stayed in the house.

The higher court held the mere presence of furniture is not occupancy. For 13 days neither the tenant nor his family had returned. He and his family had ceased to live in the house, they took up their abode elsewhere, hence, as a dwelling, it was unoccupied.

Allows Policy Reformation

The Pennsylvania supreme court, eastern district, in *Overholt et al. vs. Reliance et al.* has allowed reformation of a policy to include the standard mortgage clause instead of merely the simple loss payable clause on the ground that for several years the policy covering the particular property had contained the standard mortgage clause, but that the policy in existence at the time of the loss contained only the simple mortgage clause.

The insured read the original policy and found its provisions satisfactory. When, thereafter, they received a policy which the agent sent to them as a renewal, they had a right to take it for granted that it was a renewal, according to the court. When the Reliance inquired through its agent whether the policy was to be renewed, this was an offer to make a new contract. In the absence of circumstances to indicate that a different meaning was intended, this meant a contract chronologically new but in form and substance, identical with the original.



SMOOTH SAILING

ABILITY to cope with wind, weather and tide, with consequent smooth sailing, depends largely on the skipper's "weather eye", that constant alertness that is required of a good helmsman, an eye to the trim of the sail, first to detect a hauling wind, always aware of impending change and ready for it, thereby getting the most out of his ship on every tack.

It is this constant watching that makes a good skipper in any line of endeavor and results in smooth sailing. So it is in the insurance business, the agent or broker who keeps posted on sales methods, underwriting practices, becomes familiar with all lines and their markets, is the one who is going to have smooth sailing.

The Employers' Pioneer for August is, as usual, full of helpful aids and suggestions and a wealth of information for the insurance salesman. A veteran accident special reveals a sure-fire sales attack for personal accident business in the article "Willing to Work". An authority in the bonding business contributes part one of an informative thesis on surety bond underwriting.

Fire, Burglary, Boiler and Residence Liability are a few of the other lines discussed in the August issue.

The Employers' Pioneer is the house organ of The Employers' Group which includes, the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Ltd., The Employers' Fire Insurance Company, and the American Employers' Insurance Company. If you would be at all interested in receiving a copy of the August issue of The Employers' Pioneer you may obtain one without any obligation by addressing your request to the Publicity Department, The Employers' Group, 110 Milk Street, Boston, Mass.

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